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THE EMPIRE REVIEW

"Far as the breeze can bear, the billows foam,
Survey our empire, and behold our home."—*Byron.*

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THE MAKING OF STATESMEN UNDER DEMOCRATIC INSTITUTIONS

By F. A. W. GISBORNE

THE price communities, no matter how far advanced in civilisation, are required to pay for free government is the endurance of misgovernment. Such at least seems to be the melancholy conclusion justified by a survey of the work of the world's existing democratic legislative assemblies. The expression "free" government is, of course, used in the entirely misleading sense prescribed by convention; really, government by majorities, where adult suffrage rules representation, is by no means free—so far as minorities are concerned. And majorities under such a system being necessarily ignorant, capricious and lacking in moderation, the tyranny they exercise is often of the most humiliating and repulsive kind.

Certain forms of tyranny, however oppressive, are alleviated by the respect each one of their victims must feel for the tyrant. Men will endure the despotism of a Caesar, a Peter the Great, or a Napoleon with far more equanimity than they will suffer that of a band of ignorant and sanguinary Jacobins. If they must be devoured, they prefer to be the prey of the lion rather than that of a pack of jackals. The measure of oppression is the character of the oppressor. In all ages democratic tyranny in its extreme form has provoked in the end the most violent resistance; for, not only physically, but morally and intellectually, it insults human nature. Happily that extremity has not been reached by any modern civilised nation since Napoleon applied the manacles to tormented France more than a century ago. But symptoms now observable in many countries are distinctly disquieting. Each day, to those unfortunate enough to live in a land where the fetish of

absolute political equality is devoutly worshipped, the general election becomes a greater infliction and an aggravated cause of anxiety. When, not long ago, the Dean of Westminster denounced "the confused din of selfish appeals, vulgar insinuations, insincere arguments, and deliberate deceptions" which attended the last contest of the kind in the United Kingdom, he described with perfect accuracy the invariable concomitants of similar convulsions in Australia and elsewhere. The periodic political washing-day is as disturbing to a democratic country as its counterpart is to the average domestic household; only, unhappily, the water used for cleansing purposes being purposely rendered exceedingly muddy, the garments usually come out more soiled than they went in. And the conversation of the charwomen during the process is marked by distressing volubility and animation. It is not ferocity that characterises the modern method of upsetting governments as it did in old times—but vociferosity: the tongue has become more potent than the sword.

To the philosophic mind it seems extraordinary that any sane community should periodically submit itself to a prodigious amount of confusion, expense, disturbance of business, popular passion and general insecurity merely in order that a certain number of men who had had some little experience in the work of legislation and administration should be displaced in favour of others who, in a large number of cases, had had absolutely none at all. What should we say of the directors of a shipping company who, on each occasion when one of their vessels reached port, deposed the captain and appointed the cabin boy in his stead? What should we say of the managers of an industrial concern who made it a rule that, at brief intervals, the whole body of employees, including junior clerks and apprentices, should be called on to elect the members of the controlling staff, without the least regard to the competency of all or any of the candidates for the responsible and highly-paid positions sought? Apart from the effects of such a system in regard to the annual balance-sheet, frequent incidents of an exciting character might be expected to occur in the machine room. Were we to appoint our doctors after the fashion in which we now appoint our legislative practitioners, requiring no guarantee whatever as to ability or special knowledge, the trade of the undertaker would flourish. And Clio, surveying hereafter with meditative eye the cemetery of buried political institutions, will perhaps be prompted to inscribe a scathing epitaph on the tombstone of modern democracy.

For how stand the facts? Men incapable of managing their own private affairs are deemed, if endowed with the necessary gifts of volubility and mendacity, entirely fitted to manage those of a great country; men who, during their whole previous lives,

had never on a single occasion had fifty pounds to spend, are thought competent to control the expenditure of millions belonging collectively to their fellow-citizens; men whose knowledge of history, political economy, jurisprudence and the limitations as well as wants of human nature scarcely exceeds that of a trained chimpanzee, are invested for a time with absolute powers of life and death over nations. This is not a caricature; it is a plain statement of what has happened again and again in the world's ultra-democratic countries within quite recent times. The distrust concerning the future of popular representative institutions expressed in a familiar saying attributed to the present English Sovereign's lamented grandfather has been abundantly justified by experience. The trial has been long, the clamour of the advocates and their suffering clients deafening; and the time has at last arrived for pronouncing judgment.

The failure of representative institutions to secure good government, where a wholesome principle has been carried to preposterous extremes, is, in truth, too obvious to need demonstration. In Australia, America and elsewhere the solemn process of counting noses is daily becoming more derided by serious thinkers on political problems, and is regarded by them as no more rational than the pontifical inspection of the entrails of the sacrificial victim in ancient times. There are clear signs that, sooner or later, overwhelmed by the force of an enlightened public opinion, pseudo-democracy will go the way of witchcraft and alchemy; and that the human race will become emancipated from the thralldom of the most absurd as well as mischievous political superstition it has yet suffered from. The dominion of the fit must eventually supersede that of the unfit; the function of ruling become dissociated from that of fooling the people. Our enlightened descendants will read the annals of our political struggles with feelings very similar to those with which we ourselves now read of the sanguinary rites of the old Druids, or the wild orgies of the votaries of Cybele.

The only conclusion that the dispassionate observer of modern political phenomena can reach is that the machinery of representative government must soon be amended, or the whole fabric will perish. The workings of the forces of destruction are now plainly visible. No system can survive that in operation is an offence to reason and an outrage on the moral sense, however perfect it may be in theory. "Equal voting," even Mill was compelled to admit, "is in principle wrong." Not a single thinker of any eminence has commended it. It is opposed to reason, because it assumes a moral and intellectual equality which does not exist, and never will exist. It is opposed to justice, because it bestows on the needy many powers to despoil the industrious few. Being

contrary to reason and justice it must be contrary to policy also. The vote in the hands of the ignorant or vicious becomes a dagger threatening the heart of the State. Sir Charles Napier once forcibly and truthfully denounced the ignorant military officer as a "murderer." Such, too, is the ignorant officer of State; but his crimes, in their results, are far more terrible. This, too, must be borne in mind. *Pares cum paribus* is a rule that applies as strongly to political as to private fellowships. In the great majority of cases the ignorant elector will vote for the ignorant or unprincipled candidate. His choice generally lies between the man who shares his own mental obscurity, and him who, from venal or ambitious motives, dissembles, and pretends to hold views which both his intelligence and conscience repudiate. What is wise is seldom popular; *carpe diem* is, and has always been, the motto of democracy. The demagogue, whose whole equipment consists of a loud voice, a confident manner, and a large bundle of small class prejudices which he is pleased to call his political opinions, is far too familiar a figure in our public life. He is always open to conviction—by a majority; and possesses the flexibility of principle necessary to enable him on every occasion to believe that the popular cry of the hour is a manifestation of the Divine Will. The great city with its ignorant and needy proletariat is his Old Sarum. In such a fortress he might defy alike a Chatham, a Burke or a Bismarck. But woe to the nation over whose counsels he obtains ascendancy!

To save democracy, based on representative institutions, from the dry rot which is rapidly invading it in these days, and which, if unchecked, must ultimately destroy it, two remedies suggest themselves. The restriction of the right of voting solely to persons qualified by age, character, knowledge and ability, and endowed with the sense of responsibility that usually accompanies the ownership of property, constitutes the one: the limitation of the unrestricted right of choice of representation now enjoyed, and abused, by the mass of electors to candidates who possessed special and defined qualifications for performing the work of government, the other. The first, for the present at least, notwithstanding its obvious merits, must be set aside as impracticable. Only armed force or the pressure of extreme calamity would induce the multitudes now in possession of the franchise to resign what they have been taught to regard as their right. And, since their disfranchisement would involve the early renunciation of highly profitable and dignified positions by a considerable number of prominent legislators, franchise reform in the direction indicated would certainly not be favoured by the chosen of the people. Members of Parliament can hardly be expected to commit political hara-kiri for the good of their country; and while each legislator is usually quite

ready to admit the shortcomings of many of his brethren he is entirely indisposed to make such an admission concerning himself. In Australia, at all events, patriotism is a profitable virtue at £600 a year. Men find it as easy to be patriotic on such terms as Becky Sharp declared it was to be good on a yearly income of five thousand pounds. The idea of bringing about the reformation in view peacefully by any drastic alteration of existing electoral qualifications must, for these and other reasons, be dismissed. A Caesar, Cromwell or Napoleon would be needed for the task; and violent operations in the case of national as well as individual entities invariably leave the patient suffering from shock, and a victim to lassitude. The less revolutionary, but perhaps, in the end, equally effective alternative scheme might, however, be found practicable.

Is it quite inconceivable that a modern legislature should be found courageous enough to address its constituents thus?—"You shall all retain your present electoral privileges unimpaired; but seeing that many of you, in your simplicity and good nature, are apt to be imposed on by rogues and charlatans, the State, for your own protection, will devise means so that only men competent to govern you wisely shall be allowed to seek your suffrages. In other words, you shall be placed in the position of the members of a friendly society when the situation of medical officer is vacant. Just as they are not allowed to elect a quack, but may choose any one they please out of all the qualified practitioners who are willing to accept the position, so your right of selection shall be limited to men who have been specially trained for the work they desire to perform. Thus your own interests will be effectually guarded, without any injury to your self-esteem, or curtailment of what you regard as your rights."

Would there be anything derogatory to the legitimate self-respect even of the most sensitive elector in such a proposal? Surely none. Politics, were it accepted, would be treated as, in the best sense, a profession, and would be placed under salutary restraints analogous to those now imposed on the medical, legal and other professions. Men would not be regarded as fit to make laws merely because they could make (and break) promises, which is at present, perhaps, the chief recommendation of some candidates in the eyes of the majority of electors. They would only be deemed qualified to legislate after they had passed through a scientific course of training for the work of legislation, and had been provided with opportunities to study laws and methods of government in vogue in foreign countries. As future custodians of the health of the body politic they should walk the Parliaments of the world instead of the hospitals, or—as has been the case with some of our distinguished

contemporary statesmen—the streets. They should become versed in the whole technique of the art of politics, and be familiarised, not to pedantry, with the work of its great masters from Plato and Aristotle to Burke, Adam Smith and De Tocqueville. Each, on completing his course satisfactorily, should take his degree, M.P., Master of Politics, *before* he was permitted to present himself to the electors; and then the latter, having to choose between a number of men all competent in degrees varying according to natural ability for the work of legislation, could not go far wrong. If they did not choose Ulysses, at least they could not prefer Thersites. The well-meaning blockhead, the Jacobin, the visionary and the cunning time-server would be excluded from the national Council Chamber, and the trained political craftsman would alone be admitted.

Of course, the introduction of such a system of artificial political selection would be highly resented, and fiercely opposed, by many popular politicians now in possession of very desirable positions. Some might find it very inconvenient to have their measure of knowledge tested. But still the line of reform recommended seems to be the one offering the least resistance, as affecting the susceptibilities of the few instead of those of the many. The abrupt withdrawal, were such a step possible, from thousands, or perhaps millions, of privileges which, by prescription, had become regarded as rights, would arouse a popular tornado which might wreck the ship of State. But the deprivation of a handful of active politicians of opportunities previously, for lack of knowledge, or, perhaps, morals, greatly misused to the country's detriment should commend itself to the public judgment. For no caste or class system would come into being. Whether Sudra or Brahman, plebeian or patrician, the citizen who had passed the required tests would be eligible for the highest position in the land. A political career would be open to all talents; an aristocracy of intellect would supersede the old aristocracy of birth. The portals of the legislature would be absolutely barred against none, no matter what his condition. Only each applicant, before admission, would be required to produce his certificate of political merit. And facilities would be offered by the State to all its citizens above a fixed age, who were possessed of the requisite natural endowments of intelligence and industry, to earn the required diploma.

Bacon has bequeathed us advice on this important subject which even the omniscient present generation might well consider: "We see it is accounted an error to commit a natural body to empiric physicians, which commonly have a few pleasing receipts, whereupon they are confident and adventurous, but know neither the causes of diseases nor the complexions of patients, no

peril of accidents, nor the true method of cures; we see it is a like error to rely upon advocates or lawyers which are only men of practice and not grounded in their books, who are many times easily surprised when matter falleth out besides their experience, to the prejudice of the causes they handle; so, by like reason it cannot be but a matter of doubtful consequence if States be managed by empiric statesmen, not well mingled with men grounded in learning.”* The Elizabethan philosopher, were he able to visit either America or Australia to-day, would marvel at the performances of the “empiric statesmen” to be found in multitudes in both those enlightened continents. Tammany, the Caucus, the Chicago Convention, the political “boss,” the graftsman, what would he think of these instruments of government? In Bacon’s day the “empiric” statesman was almost invariably either a lawyer or a landowner, and always, for his times, a highly educated man. If a landowner, though not in the full sense learned, he had received an admirable training for the work of public administration in the management of his own estate; if a lawyer, he at least knew enough about law and human nature, the parent of law, to understand what old measures needed amendment and what new measures were required. Lawyers of the first rank, and landowners, are indeed natural partners in the work of government, combining technical knowledge, administrative ability, a strong sense of responsibility and a wide acquaintance with human affairs. But now, in ultra-democratic countries like Australia, the old alliance is entirely dissolved. The lawyer, certainly, more than holds his own in most popularly elected chambers, thanks to his dialectical skill and powers of persuasion; though too frequently, outside Great Britain, he does not represent the flower of his calling. Burke, in his unflattering criticisms of the personnel of the French National Assembly, portrayed in advance the character of too many of the legal politicians who now crowd the legislatures of France, America and Australia. But the landowner has vanished, and his place is occupied by the ambitious artisan deputed to uphold the cause of trade-unionism. As to men “grounded in learning,” they are scouted by modern democracy. The one true political light is too often sought in the tavern, rather than the temple or academy. Historical and other students are regarded as mere antediluvians, buried beneath the flood of enlightenment poured forth from the State School. The new Statecraft, compounded, in varying proportions, of Rousseau, Tom Paine, Karl Marx and Henry George (with sometimes a slight admixture of the Decalogue and the Sermon on the Mount) entirely dominates the legislative field.

* ‘Advancement of Learning.’ Book I.

Were it too audacious to express a hope that, for the salvation of a democracy which now, like the demoniac of old times, wounds and rends itself—which is possessed by innumerable evil spirits that give it no peace but incessantly impel it toward self-destruction—some kind of a college or university for statesmen might be established in every country where representative institutions exist? Such an establishment, of course, would be maintained at the public charge and be controlled, indirectly, by the State. The teaching staff would be most carefully selected (foreign professors, free from local attachments or prejudices, might well be accorded preference), liberally remunerated, and placed entirely outside both political and clerical influences. Admission would be by competitive examination, as vacancies from time to time arose: and the fees, if any, charged for instruction and maintenance should be so small as to enable the poor as well as the rich to participate in the benefits provided. Obviously, only a limited number of students could be received, as is the case in the ordinary training colleges for the Army and Navy. The existence of hordes of unemployed professors of politics in a country would be most disturbing to the general tranquillity, and would mean rampant demagogism. By the means just sketched the State would literally, in the late Lord Sherbrooke's familiar phrase, "educate its masters." It would ensure, without violating one whit the fundamental principles of freedom, that each future legislator should be a man of good moral character and should possess the priceless gift of knowledge. The demagogue and other birds of prey would disappear, and the ignorant elector would be protected against the results of his own ignorance. Were but one quarter of the funds now foolishly employed to attract needy and incompetent men to enter public life devoted to training far worthier legislators, the human race would be spared a multitude of quite avoidable ills from which it now suffers.

But, some may say, the scheme suggested, if carried out, would mean the rule of the pedant and the doctrinaire, the man of theory rather than practice. The State college would become but a factory of mandarins. Even were it so, though the writer does not grant it, the over-learned would make better rulers than the unlearned. The pedant were more tolerable than the adventurer or the fanatic. True learning, however, vivifies rather than petrifies the intelligence; it induces coolness and sobriety of judgment; it stimulates the powers of thought and observation. The head need not cease to be a workshop if it be used, within reasonable limits, as a storeroom. After all, learning, properly used, is the raw material of thought, the straw and clay of which we compound our intellectual bricks. Too much of it, of course,

forced into the heads of aspiring statesmen, might convert them into political pundits; and perhaps justify the taunt addressed by Festus to the great missionary Apostle. Too much pure water, even, might be harmful—as a drowning man would fully realise. But why should the pupils be over-educated? Surely it were possible to draw the line between sufficiency and excess. No Chinese system of instruction in political ethics two thousand years old is suggested, nor would it be tolerated for a day by any enlightened modern community. But those eternal and immutable principles of government that are based on reason, justice and the needs of human nature might well be impressed on the minds of coming rulers; their memories might be enriched with “the spoils of Time,” in the form of lessons derived from a careful study of history; so that the path of the future should be illumined by the light of the past.

And if the party system with all its mischievous absurdities did not disappear from a government controlled by legislative experts, surely its effects would be greatly mitigated. Doctors of medicine, law and philosophy, and the like, proverbially differ: but as a rule, they differ as scholars and gentlemen, and not as fishwives. They do not hurl books and Billingsgate at one another’s heads. They do not descend to Limehouse and White-chapel. Men of real political understanding, too, while not slaves of the past, bondsmen of precedent and tradition, are seldom violent innovators. No law of Zaleucus would be needed in a State subject to their guidance. Its atmosphere would be calm, but not stagnant; the current of civic life would flow evenly, without sudden alternations of rapid, cascade and sleeping pool, mantled with slimy weeds. Progress would be straight, rather than spiral; the machine of government would work with a minimum of friction and waste of energy. “What can you expect,” wrote Sir Henry Maine many years ago, “from a system in which half the cleverest men in the country are taking the utmost pains to prevent the other half from governing?” The great jurist’s question has since been too fully answered. Confusion, shocking waste, instability of policy, passion, corruption, misgovernment, danger—these are what we have gained; and the evils become intensified each year. The vessel of State is the scene of chronic mutiny, one-half of the officers and crew striving to steer a course in one direction, and the rest in another. In calm weather, even under these chaotic conditions, the ship, in spite of perilous oscillations, may be kept afloat; though its progress be grievously retarded. But what will happen when the storm bursts, or when the enemy delivers his attack?

What will happen in such circumstances must be what has happened again and again in the world’s history. The spirit of

party has rent nations in twain, plunged them into the horrors of civil war, and finally opened the gates to the foreign conqueror. Not Themis, but Ate, is the presiding divinity in the modern popular legislature. The preservation of social order and the progress of civilisation demand the restoration of the rule of the benignant goddess, and the expulsion of the evil spirit that now perturbs and defiles the springs of national life. That the party system, as it now exists, should be tacitly accepted as quite natural—that men should renounce their reason and manhood and become the slaves of empty shibboleths—that they should wrangle furiously over the respective merits of Tweedle-dum and Tweedle-dee, just as the foolish Byzantines in the days of Justinian well-nigh over-turned the Second Empire by their differences concerning the colours green and blue—what do these portents signify but national decadence? The old Athenian legislator compared the people to the sea and the orators to the winds, which lashed its tranquil surface into raging waves. The saying was a true one, for the popular orator lives by inflaming passion; his appeal is to the emotions not to reason: in proportion to the increase of the intelligence and knowledge of his audience so his power declines. He lives, save in very rare cases, by deception, preying on prejudice, ignorance and credulity; and eventually the community subject to his baneful influence becomes divided into but two classes, the deluders and the deluded.

The man sick to death is delirious; so is the nation. The greater the number of orators that infest a country the more acute is the prevailing social disease. The popularly elected legislature, as now constituted, is the school of futile rhetoric, and not the place of serious deliberation. Grave national interests are ignored in the turmoil of vulgar recrimination and invective; government passes into the hands of those who are most presuming, voluble and ready-witted, rather than into those of men of genuine ability and patriotism; a tawdry skill in epigram and repartee supersedes merit; wisdom is drowned in words. The intimate association of garrulity and incompetence outside politics is a mere commonplace; yet we are content with a system which measures the capacity of the legislator by the activity of his tongue. The sorry spectacle exhibited before our eyes, particularly in countries where no restraints in the evils just outlined exist, would disappear at once, were trained and well-informed men to displace the crowds of noisy and presumptuous neophytes to be found in so many of the world's legislative assemblies to-day, especially among such as are embraced in the British Empire. A complete reconstruction of those governing bodies has become an urgent and crying need. The evidence is indisputable that they have failed grotesquely and pitifully to satisfy the requirements of the

communities for which they legislate, and to fulfil their exalted functions. So far from producing order and tranquillity, some of them have become active agents in promoting strife and bitterness. Several have actually sold, or bartered away, that freedom of deliberation and decision which every self-respecting legislative body cherishes as its dearest possession. The time is ripe for a political reformation; and the hope may be expressed that when, by some well-devised means, the true statesman, morally and intellectually equipped for his office, shall at last have become ascendant in all popular chambers of legislation, peoples now wandering in the barren, wind-swept wastes of faction will be conducted, by gentle gradations, into a fair and bountiful land, under the inspiring guidance of that wisdom whose "ways are ways of pleasantness and all her paths are peace."

F. A. W. GISBORNE.

FOREIGN AFFAIRS

By DIPLOMATIST

THE BALKAN IMBROGLIO

THE situation in the Near East is anything but cheerful, and at the time of writing it is quite impossible to forecast even the immediate future, much less to look beyond. A great deal is expected from the conference now in progress at Bucharest, and it may be that hostilities will cease as quickly as they commenced. That such a complication of events should follow so closely upon the signing of the Treaty of London was never for a moment contemplated. But while the action of Bulgaria is mainly responsible for the present position, there is reason to believe that wiser counsels are now prevailing, and that the results of the mistaken course pursued by King Ferdinand and his advisers will be, as far as possible, minimised.

Speaking on the subject at the Birmingham Chamber of Commerce when replying to the toast of "His Majesty's Ministers," Mr. Asquith pointed out, and correctly pointed out, that all our eyes are turned to the East of Europe, and the spectacle which confronts them is disheartening and even repellent. Examining this statement more in detail, the Prime Minister said: "On the one hand we see the Balkan States, as a sequel to a war in which they fought side by side, drenching territory which their united efforts set free from Turkish rule, with one another's blood. On the other hand we see Turkey, with the ink not yet dry upon the Treaty of London, to which a few weeks ago she put her hand—we see Turkey advancing beyond the line to which she agreed, and endeavouring to take advantage of the differences between her late enemies to recover some part, at least, of what she has lost. It is not unnatural that the opinion of Europe should be profoundly moved, and should demand of those with whom in the last resort reside power and the responsibility which accompanies power, that they should show their readiness and their ability to bring to an end this sombre chapter in European history."

Dealing with the position taken by this country, Mr. Asquith observed that while from first to last we have had no special interests of our own to serve, we have laboured unceasingly, and not without success, to promote and preserve the united action of the Great Powers. Continuing, he made a pronouncement of first importance, namely, that "The concert among them has been loyally maintained, and was never less in jeopardy than it is to-day." Adding that when a fair calculation is made of the interests—historic, economic, racial, religious—that have hung in the balance, the continued preservation not only of peace but of mutual confidence and of a corporate policy has been and is of the first moment. In the pursuit of that common object he told his audience the Powers, while limiting as far as possible direct intervention, have achieved two notable and practical results. "In the first place, they have kept, and they will continue to keep, in their own hands the delimitation of the frontiers of Albania and the destination of the Aegean Islands. In the next place, it was under their auspices that the terms of peace between the belligerents which are embodied in the Treaty of London were concluded, when the Enos-Midia line which is to bound the European territory of Turkey was laid down, and they have already appointed their expert representatives to trace its actual course." Subject to these reservations, they did not in the first instance concern themselves with the partition and distribution between the Balkan States of the conquered territory outside that line. They trusted, as all Europe and as all the world trusted, that this would be found to be a matter for mutual and friendly agreement between the parties directly concerned. That hope has been frustrated. "There has been during these last weeks a deplorable and a wanton effusion of blood. A State not before directly interested, Rumania, has intervened. The Powers have done, and they are doing, everything that they can to bring the disputants into peaceful conference."

On the subject of the Bucharest conference the Prime Minister expressed the belief that it may result in an immediate suspension of arms and in speedy terms of settlement upon which, he added, in view of what has happened, the Great Powers must and will reserve their own judgment. As regards Turkey, he said: "We ourselves, we here in Great Britain, and I believe all the Powers, were disposed, on the basis of the recently concluded Treaty, to regard as accepted facts her retention of her European territory within the lines laid down, and, subject to reasonable safeguards for good government, the integrity of her Asiatic Empire, and we were ready and anxious to give her such assistance as we could in the prosecution of the heavy tasks which still lay upon her. If—and I wish to be perfectly explicit upon this point—if Turkey is

ill-advised enough to set the provisions of that Treaty at naught, she must be prepared—and I will say no more at present—she must be prepared for an opening up of questions that it is by no means in her interests to bring into debate. I have said so much, and I think you will agree with me that it was impossible for me at such a moment as this not to make it perfectly plain, not only here but to Europe, what is the position of his Majesty's Government and, I believe, of the United Kingdom."

TURKEY'S INDISCRETION

The action of Enver Bey, although not difficult to understand in view of the part he played in postponing a settlement between Turkey and the Balkan States after the London negotiations, cannot be of the slightest service to his fellow-countrymen. It is true that he gave them to understand that he would save Adrianople for them, and then had to accept from the enemy terms more humiliating than would have been the case had Turkey followed the advice of Nazim Pasha and signed the Peace Treaty at an earlier stage. It is true that at the moment Enver Bey's success is meeting with much jubilation within the ranks of the Young Turk Party. But when the inevitable comes, and Adrianople has to be given back, Enver Bey's short triumph will be over, and he will be called on to meet his friends and supporters in circumstances of a very different character. The day of Turkey's power in Europe is gone. To attempt to kick against the pricks is an unsound policy.

It may be that Enver Bey disbelieves in any active interference on the part of the Powers, but while that day will be postponed to the last possible moment, so long as the Concert holds together—and "it was never less in jeopardy than it is to-day"—that belief rests on no firm foundation. The Powers are determined that the Treaty of London shall be respected, and whatever may be the ambitions of Enver Bey and the Young Turk Party, those ambitions will fail of their purpose if the provisions of that undertaking be seriously violated. In this country there is much sympathy with Turkey; but if Turkey's advisers insist on tearing up the Treaty of London that sympathy will vanish. Better peace with honour than anything else, and if appealing is of any value, I strongly appeal to Turkey to remember her past reputation as a Power, which, however lacking in other qualities, was never known to break its word when that word had been pledged under the seal of diplomatic action. Of Bulgaria, the least said the better. Bitterly must that Power regret the mistake made. On all sides sympathy has been alienated, and the reports that reach this country of the excesses of Bulgarian troops are not likely to mend matters.

SOLIDARITY OF THE POWERS

The solidarity of the Powers is the greatest of all safeguards. At one time it looked as if either Russia or Austria-Hungary would be dragged into the *mêlée* and compelled to take a course of their own. Happily so disastrous a consequence has been avoided, and if the conference at Bucharest does what is expected of it, I think one may say with some degree of certainty that all danger of the kind will be averted. Both Russia and Austria-Hungary have been sorely tried, and although we are not yet out of the wood, these two Powers are exercising the greatest restraint, and in very difficult circumstances each is absolutely loyal to the Concert and its findings.

Great Britain and Germany from the very first have worked in the closest union, and when the secret history of the Treaty of London comes to be written, the part played by Germany will be found to be not the least effective in preserving peace. As showing the advance in the friendly relations between the two countries, the statements made from time to time by the Prime Minister and the Foreign Secretary are worth recalling. On each and every occasion when the question of European politics has come up in the House of Commons, one or other of these Ministers has taken advantage of the opportunity to emphasise the firmness of the friendship existing between Great Britain and Germany. An instance of this goodwill is seen in the recent Naval Debate. For some years, beginning with the unfortunate mistake made by Mr. McKenna in respect of the alleged acceleration of German warships, angry articles have appeared in the German Press, and similar articles have appeared in the British Press, whenever any important statement on the Navy was made by the First Lord. All this is now changed. Last March Admiral von Tirpitz went so far as virtually to accept the ratio of British superiority laid down by the First Lord of the Admiralty as necessary to secure British safety and British supremacy in Home waters. And if German calculations were somewhat upset by the Colonial contingents, it has been generally accepted in Germany that these ships are allocated for whole-world defence and in no way intended to increase the ratio in Home waters. After the last Naval Statement, except by way of criticism, no discordant note was struck in the German Press, and it may be safely said that, after a long period of paper warfare on shipbuilding programmes, it is at last being understood by patriots in both countries that the navy of Germany, like the navy of England, is being built, not for purposes of aggression, but solely for purposes of defence.

ANGLO-GERMAN FRIENDSHIP

On all sides one sees with pleasure the dropping of that antagonism which on so many occasions has been the marked characteristic of the British and German Press, or perhaps one should say of certain sections of that Press; in its place we have a tendency to extol rather than to condemn, and a real and earnest endeavour to avoid suspicion of one another's motives. The change is working wonders. Very little is heard now of the German and the British bogey. No longer does either nation suspect the other of secret and hostile designs. With the Morocco settlement a new era has sprung up both in Great Britain and in Germany. The policy of pin-pricking which the two nations were wont to indulge in has vanished like darkness before the dawn, and both Powers are working hand in hand towards the same goal, that of promoting prosperity and maintaining peace.

Perhaps there is no surer way of assisting better relations between this country and Germany than in the interchange of visits that during the last few years have taken place between representative societies and organisations of both nationalities. The visit of the British editors to Germany some few years ago set the ball rolling, and at once introduced a saner view into the Press of the two nations. It is not my purpose to catalogue the many visits paid by Englishmen to Germany of this nature or the many similar visits paid by Germans to this country, but I should like to call attention to an interesting series of visits arranged by the Co-operative Holidays Association here and the Holiday Homes Society at Frankfurt. Some twenty German boys accompanied by two masters from Frankfurt were this month the guests of the families of King's College boys at Wimbledon. They were shown the more important sights of London, and returned to their homes delighted with their tour and full of affection for their English hosts and hostesses. Next month a hundred boys and students from England are to visit Frankfurt under the same auspices. By this means the minds of the youth in both countries receive a practical training the benefit of which cannot be under-estimated. A good understanding of England and English people by German boys and *vice versa* is of great advantage not only to the individuals but to the nations as well. Each nationality gets an impression of the other of the right kind, and one that is never effaced. Moreover, as the youths grow up to manhood they are less likely to generate those feelings of dislike and distrust for the foreigner so common in generations gone by. I should like to see this system grow, and I see no reason why girls should not be included.

It is thought in some circles, particularly over the water, that the Liberal Party are more friendly disposed towards Germany than the Unionists. No greater error could be made. The leader of the Opposition has shown himself in every way a true friend of Germany, and if amongst the rank and file on the Unionist benches in the House of Commons a few hot-bloods openly avow their displeasure at the rapid increase of the German Navy, it must not be forgotten that the Pan-Germans are tarred with the same brush without quite the same reason. Over and over again Mr. Bonar Law has gone out of his way to express the hope that the relations between the two countries may ever remain of the closest kind, and on these occasions his hopes have always met with hearty applause from his own supporters. When the election comes and the Unionists are returned to power, as is the general expectation, Germany and Germans may rest assured they will find in the new Cabinet the same keenness to maintain the most friendly relations between the two nations as is now being manifested by the party in power. There was at one time an idea abroad that friendship with Russia and France prevented a similar feeling existing between England and Germany, but that is dead. All that survives is a determination to maintain the *ententes* we possess, but at the same time there is a growing desire to add to those *ententes* a satisfactory settlement with Germany on all matters political. Commercial rivals we are and must be, but the days of political rivalry are past and gone. Henceforward if disputes arise they will be fought out in debate and discussion: no longer is there any possibility of hostilities. We are friends, and friends we intend to remain.

THE POSITION IN PERSIA

Looking still further East there is trouble brewing both in China and in Persia. The rebellion in China and the dismissal of the Manchus has not borne the result expected, and now we find one section of rebels fighting against another section. The picture is almost a *réplique* of the one in the Balkans. But so difficult is it to understand China or the Chinese that I should be hazarding too much to make a prophecy of any kind. All that can safely be said is wait and see. In Persia, however, the situation is more clearly defined and possibly better understood. On the other hand there still seems to be a good deal of hesitation on the part of the Government as to taking the nation into its confidence. One would imagine after the issue of a most gloomy Blue Book on the affairs of Persia the Government would have something to propose. Instead of that the same inactivity

is to prevail. Answering his critics in the House of Lords the other day Lord Crewe said:—

Lord Newton, I am afraid, finds himself entertaining the depressing belief that things have almost come to the point in Southern Persia when there would be a choice simply between the extension of Russian influence into that quarter of the country or of something approaching a British occupation. I venture to hope things will not come to that pass. Although there is much to read in the Blue Book which is still depressing in regard to the condition of Persia, there are signs to a certain degree of improvement, which, I think, forbid me to despair altogether of the future. As to the question of making a large advance—of five or six millions, such as it is generally agreed that the resources of Persia would carry in order that more than a beginning may be made with putting the Government on a stable footing—it would be impossible to say at this moment that there is an immediate prospect of a large advance of that kind being made. But it is to be hoped that such an advance may be forthcoming in connection with the railway enterprise of which the noble marquess (Lord Lansdowne) opposite spoke.

As Lord Curzon very pertinently pointed out on the same occasion, the difficulty of the whole position in Persia to-day arises from the events of six years ago. In 1907 the Government concluded the Anglo-Russian Convention, under which the country was divided into three parts. Russia had one, more than a half of the whole, Great Britain had a sphere of about one-sixth and the remaining third part was constituted into a neutral reserve. Discussing more particularly the neutral zone, Lord Curzon said:—

There were many of us in this House who doubted the character of the bargain which had been made and drew attention to what we considered the inequity of this distribution. The answer was that his Majesty's Government in reserving the British sphere had been actuated solely by special considerations. I think it will be seen that his Majesty's Ministers entirely forgot the political and commercial importance of the areas left in the neutral zone. I pointed out that it was in the neutral zone that British trade existed; it was there the British telegraph runs, and there really that our interests were concentrated. Six years have passed and we have heard nothing about the British sphere, but the neutral sphere has been constantly and inevitably pushing itself forward, until now you are in the position of ignoring your own agreement. You have been acting, and you will go on acting, as if the neutral zone were the British zone. Take the evidence of this Blue Book. You find the British Government threatening to punish a Persian subject in the neutral sphere, and we have been sending Indian troops freely into the neutral sphere. It is the financial administration of the neutral sphere that we are now conducting, and it is *Gendarmerie* in the neutral zone which we are paying. It is for railways in the neutral sphere that we are pressing, I am glad to say successfully. Therefore for the last two years his Majesty's Government have been successfully demonstrating the futility of the arrangements they have concluded with Russia. The neutral zone has always been a diplomatic fiction. Lip service is paid to it from time to time by our people when we want to be civil with Russia. From time to time we are reminded of it by Russia when they want to be severe with us.

This is very candid, if somewhat severe comment on the

Government policy. Continuing, Lord Curzon invited the Government to recognise the facts of the case. "I venture to say we cannot go on perpetually acting as though this neutral zone was and was not a British sphere. We cannot go on vindicating British rights within the sphere when we find it convenient to us, and repudiating British responsibilities within the sphere when it is not convenient. I want the Government to work out a policy based on a recognition of the fact that the conditions have changed, and that so long as the neutral zone remains a neutral zone we have no right to be doling out British and Indian money as we have been doing. You may say, 'All that is theoretically true; but what does it mean in practice?' It means, I think, that we ought to endeavour to support the authority of the Persian Government, not only in one corner of the neutral sphere, but over the whole of the neutral sphere; that we ought to enable them to raise a force that shall restore order and discharge the duties of government within the sphere; and that we ought energetically to pursue the policy of building railways within the sphere. We ought also to recognise the fact that in 1907, when we concluded the agreement with Russia, we made a mistake. I do not propose that you should take any action behind the back of Russia or without the co-operation of Russia. Russia has on many occasions shown her gratitude to us for the support we have extended to her; and it is only consistent with the close friendship existing between her and us that she should assist us in placing our position within the neutral zone, illogical as I have shown it to be, on a more stable footing." Words pregnant with meaning, and I strongly advise the Government to read, mark, learn and inwardly digest them. We cannot go on as we are now going unless indeed we are prepared to accept the disaster that awaits us.

Lord Lansdowne supported the view put forward by Lord Curzon with a few reservations, the present position in his opinion being intolerable. We desire, he said, to maintain the integrity and independence of Persia on the one hand, and, on the other, we desire to uphold the Anglo-Russian Convention which involves a dual tutelage over Persia by two Powers, a tutelage which in fact is hardly consistent with the independence of the Persian Government. "I would venture to hope that so far as the neutral zone is concerned, we shall look the facts a little more courageously in the face than we have hitherto done. We are assuming responsibilities in the country, and it seems to me that we do not quite sufficiently recognise that the exercise of those responsibilities involves the assertion of certain rights. I still hold the opinion that has been attributed to me, that nothing could be worse on the part of Persia than that we should embark

on what I may call a policy of adventure, but there is something quite as bad, and that is a policy of drift, and I am afraid that it is on a policy of that kind that we shall involve ourselves if we are not careful."

But of all the proposals for setting Persia on her legs again the most promising seems to Lord Lansdowne to be the construction of commercial railways. A railway policy was more likely to bring civilisation and order in its train than any other changes contemplated. He did not in the least grudge Russia the construction of commercial railways in North Persia for this reason, that activity in North Persia should be balanced by similar activity in the construction of commercial railways in Southern Persia. There are only three lines mentioned in the Blue Book, and it is a little remarkable that two of those railways are at once ruled out on the ground that we cannot give them any encouragement because they fall into the neutral zone. It is laid down, Lord Lansdowne added, that when a line falls into the neutral zone it becomes a question for discussion and arrangement between the two Powers. "With regard to the third line there appears to have been extraordinary procrastination on the part of the Persian Government, procrastination which stands out rather in relief against the action of Persia when dealing with the Russian lines." Altogether, the situation in Persia seems to want a good deal of overhauling. Russia is going ahead too fast and we are proceeding too slow. The *gendarmérie* has not proved the success anticipated, and the independence of Persia is anything but on a solid foundation. Money is wanted, but is not forthcoming, and railways that ought to be constructed cannot be built because the route lies within the neutral zone. It is time the Government began to wake up. Words are all very well, but what everyone wants to see is action, and that, it appears, is what the Government refuse to take. So things drift on.

DIPLOMATIST.

AUSTRALIAN RAILWAYS AND FUTURE DEVELOPMENTS *

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THE railways of Australia, with few insignificant exceptions, have been constructed by and are worked by the State Governments. The Commonwealth now owns the Port Augusta to Ordnadatta line (leased to the South Australian Railway Authorities) and the Port Darwin to Pine Creek line, the Southern and Northern portions respectively of the Transcontinental North and South Railway, and is engaged in making the connection between Kalgoorlie and Port Augusta, so as to complete the Transcontinental East and West line.

State ownership and construction arise practically from conditions which make the system essential, those conditions being, that as soon as settlement began to spread inland from the coastal districts it was essential that economical carriage should be provided for the products raised from the land, wool, wheat, etc., and for the necessities of life required by the settlers. Such conditions involve the working of railway lines for many years, until population increases, without prospect of dividends, a state of affairs not likely to tempt private enterprise. The land grant system and subsidies by Government, might, as in Canada, have stimulated private enterprise, but the State Governments decided that it was more in the general interest of the community as a whole to undertake themselves the work of construction and management.

In all the States settlement began around the sites of what are now the State capitals—Brisbane, Sydney, Melbourne, Adelaide, and Perth. Hence, it was inevitable that each State should develop its own railway system on independent lines, there were no inland States, which have proved such an important factor in the development and growth of the South African

* Being a paper recently read before the Liverpool Engineering Society and reproduced by kind permission of the author and the Council.

and Canadian railway systems, and equally inevitable that in the early years each State should endeavour to divert all the traffic of its own area to its own seaports, and until the Commonwealth came into being it must be remembered that each State had its own fiscal system, this was a most important factor in hindering the linking up of the railway systems of the different States, with the exception of the one main line connecting the capitals.

Since the advent of the Commonwealth, and the abolition of the tariff barrier, this isolation has been slowly breaking down—not fast enough to please many critics—but it must, in fairness, be remembered that it is no easy matter to change suddenly trade routes and trade connections. Those in authority, railway commissioners and railway engineers, recognise clearly enough the justice and the propriety of allowing trade to find its own natural outlet, and in time political and other prejudices will be broken down, and the various independent State systems will be linked up at so many points that preferential and other artificial systems of diverting trade to ports towards which it would not naturally flow, will be entirely abandoned.

Another serious obstacle to linking up the different railway systems is found in the diversity of gauges. When the first railway was projected in New South Wales it was settled to adopt the Irish or 5 ft. 3 in. gauge; Victoria and South Australia also agreed to adopt the same gauge. A change of professional advisers at Sydney brought about a different view, and it was decided to adopt the 4 ft. 8½ in. or standard gauge, all the lines in New South Wales being built on this gauge. Whether this alteration of gauge was communicated in time to the other two States, so as to enable them also to make the alteration is a moot point, but one hardly worth while to spend time in discussing. Suffice it to say, Victoria and South Australia adhered to the 5 ft. 3 in. gauge, and all the Victorian lines (with the exception of a short length of 2 ft. 6 in. gauge) have been built to this gauge. South Australia, later on, complicated matters in that State by constructing a considerable mileage on the 3 ft. 6 in. gauge. When Queensland and Western Australia began railway construction they selected 3 ft. 6 in., because of the possibility it offered of reduction in first cost.

The problem of diversity of gauge and its undoubtedly evil effect, has been discussed at several conferences. It was considered prior to Confederation by the Federal Council; in 1897, acting on the advice of railway experts present, the Council recommended 4 ft. 8½ in. for adoption as the standard gauge of Australia, but little practical good was done, as the different States continued extending their systems on the particular gauge

they had already adopted. After Confederation had made the subject of still more pressing consequence, a Conference of the Engineers-in-Chief of the various States, and a War Council, both again recommended 4 ft. 8½ in. as the best gauge, but still nothing was done until the Federal Government, acting upon the advice of their professional experts, decided to construct the Transcontinental East and West line on this gauge. This decision has settled the problem, and whether the choice was good or bad, there is no doubt that the future railway gauge in Australia will be 4 ft. 8½ in. There is not much difference in the actual mileage at present in use on the 5 ft. 3 in. and the 4 ft. 8½ in. gauges, and therefore the problem really resolved itself into this: 3 ft. 6 in. is too narrow and must be ruled out, there is no very serious practical advantage in 5 ft. 3 in. over 4 ft. 8½ in.; is it, therefore, more economical and more practicable to reduce the wider gauge a few inches or to increase the narrower gauge a few inches? By the use of a third rail it is comparatively easy to tide over the interval when 5 ft. 3 in. is to be the gauge abandoned, though there is no question that the switch difficulty will be a very serious one, and it is a difficulty which has not yet been faced.

The rapid development of rich inland farming areas in the early years of the nineties brought to the front the problem of cheap construction of railway lines in sparsely populated areas, and it may be said that this problem has now been fairly solved on the following lines: In flat country the formation is raised about 6 in. to 10 in. above the surface by material excavated in the side ditches, and cutting is avoided as far as possible. The rails are flat-footed, 40 lb. to 60 lb. to the yard, in 30 ft. lengths, well fished and spiked by dog-spikes to the sleepers, which are rather closely spaced. The road is laid direct upon the formation without the use of ballast, the formation being well rolled beforehand. Fencing is largely dispensed with, and station buildings and the few bridges required are timber and of a cheap but strong type, in some cases ballast is used, and the lines are fenced. To reduce the first cost these lines are frequently laid with rails taken out of the main lines and replaced later on by new heavier rails.

The following details of the cost of a typical light Victorian railway will show how cheaply these lines are built. It was begun in 1909, by day labour.

OUYEN TO MURRAYVILLE LIGHT RAILWAY.

Length, 67 miles 74 chains; gauge, 5 feet 3 inches; ruling gradient, 1 in 60; sharpest curve, 30 chains; single track.

	Per Mile
Clearing, Fencing, Cattle Pits, Gates	£103
Earthworks	342
Bridges and Culverts	9
Ballast and Metalling	212
Sleepers, 8 feet by 9 inches by 4½ inches	433
Permanent Way, 60 lb. old Rails and Laying	663
Preliminary Equipment in Stations, Signals, Turntables, Water, Telegraph	348
Supervision	143
Additional Equipment and Sundries	234
Total per mile	£2,487

Note.—With new rails and the 1912 rates of labour the price would probably be £3,000 a mile.

As traffic increases it is of course easy to increase the preliminary equipment in the way of stations, etc., but the road bed is strong enough to carry a fairly heavy and continuous traffic without undue maintenance charges.

In Western Australia, where a considerable mileage of these light or "district railways" has been constructed, the first cost has been reduced to £1,200 to £1,500 a mile, but in that State the engineering staff responsible for maintenance and running are beginning to complain that reduction in first cost has been brought to too low a figure, resulting in costly maintenance and inefficient working of the lines.

In order to do away with the evil effects of political jobbery in the working of the State railways, all the States have placed the control of the working of the railways under Commissioners, who occupy a position of semi-independence. In New South Wales there is one Chief Commissioner with two assistants: one responsible for railways and one for tramways. In Victoria there are three Commissioners; in South Australia and Western Australia one; and in Queensland one, with a deputy. In Victoria the three Commissioners form a Board, and have supreme control of the administration and are free from political interference. By law the Minister for Railways can call upon the Commissioners to formulate a scheme for the purpose of carrying out any matter of policy decided upon by the Government, but, in such an event, Parliament must vote to the Department the amount of any loss of revenue or increase of expenditure which may be incurred.

The Federal authorities are now busy making the Transcontinental East and West line by day labour. One of the conditions under which Western Australia consented to enter the Union was that this line should be constructed, and that an end should thus be put to the isolation of that State from the populous Eastern States. The military authorities were also unanimous that it was

essential that Western Australia should be united by rail with the rest of Australia. The preliminary survey was carried out under Mr. H. Deane and completed in 1908, and the necessary plans were prepared and estimates got out. The gauge adopted was 4 ft. 8½ in., the ruling gradient 1 in 80, and 80 lb. rails were to be used. It is hoped that these may be made locally at Lithgow, in New South Wales. The line is to be about 1,063 miles long; as Kalgoorlie, the Western terminus, was connected with Perth by a 3 ft. 6 in. line, the State authorities, to avoid a break of gauge, agreed to lay down a new 4 ft. 8½ in. line between Perth and Kalgoorlie, and to complete the necessary 375 miles by the time the Commonwealth line was finished. The Eastern end of the line is Port Augusta, and the distance from Port Augusta to Perth will be 1,438 miles.

Since Port Augusta is only connected to the 3 ft. 6 in. South Australian lines, it will be necessary to construct about 100 miles of 4 ft. 8½ in. line from Port Augusta to Brinkworth on the 5 ft. 3 in. Northern line of South Australia. This new line will reduce the present railway distance of Port Augusta from Adelaide by some 60 miles, and will make the whole distance from Perth to Adelaide about 1,638 miles, of which about 1,518 miles will be 4 ft. 8½ in., and the remaining 120 miles 5 ft. 3 in. From Brinkworth the 5 ft. 3 in. gauge will extend through Adelaide and Melbourne to Albury on the Murray, where the 4 ft. 8½ in. gauge of New South Wales begins, and continues through Sydney to the Queensland border, and for the present the 3 ft. 6 in. Queensland gauge will continue the lines northward as far as Cairns.

Construction has been started at each end, Kalgoorlie and Port Augusta. The scheme drawn up for the work is on the following lines. Following directly behind the surveyors will come a gang of clearers, then following up behind them will come earthwork gangs, whose numbers will be so adjusted that they keep just ahead of the platelayers. The country is fairly easy, and no great difficulties are expected, with the one exception of the water-supply, the line passes through a country with an average annual rainfall of about 8 in., and, owing to the geological formation, surface water is not found.

The nucleus of the end camp will be on wheels, and it is expected that the main camp will move forward once a week. To save expense and hasten the rate of work, platelaying will be carried on by a system in which the rails and sleepers are placed in position direct from the material train, no platelayers' trollies being used. As the work is being carried out by day-labour, the railway authorities will provide the camps with water, and either themselves run dry canteens for the supply of food

and other necessities to the men, or else they will license private traders to sell at fixed prices. In the original estimate a sum of £609,000 was put down for the necessary water supply, but, at a later date, borings on the Nullarbor plain, through which the line runs, revealed the existence of a fairly good sub-artesian supply of water, and it was also found that by the use of wooden pipes the Kalgoorlie water could be conveyed economically for a considerably greater distance along the line than was anticipated. It has therefore been found possible to reduce the estimate for water supply to £456,000, and if an internal combustion type of locomotive can be used, there is no doubt that a considerable proportion of this modified estimate will be saved.

The States of Victoria and Queensland already have in service 70 ft. long carriages, operated by petrol engines located in an end compartment, but this system is not suitable for heavy trains composed of a number of carriages, including dining and sleeping cars. Two suggestions have been considered—(a) to use at the head of the train a powerful internal combustion locomotive, operating the train exactly like an ordinary steam locomotive; (b) to use an internal combustion engine carried on a special truck to drive a dynamo, and to distribute the electric current thus generated to motors on the axles of all the coaches; both, of course, quite feasible methods, but up to the present no decision has been come to.

Under the agreement with South Australia, when the Federal authorities took over the Northern Territory, they agreed to construct a Transcontinental North and South line by extending the existing Southern portion which runs North from Port Augusta to Oodnadatta, some 478 miles, and by building southwards from Pine Creek, the present southern terminus of the line from Port Darwin; the gap to be bridged is about 1,063 miles. No definite route was laid down in the agreement, but it was clearly the intention of those who drafted the clauses of the Acts of Parliament, which ratified this agreement, that the northern and southern termini should be Port Darwin and Port Augusta respectively, and that the new line should pass through the northern territory in a fairly direct north and south line to the South Australian border, and hence to the Oodnadatta terminus.

So far the Federal Government have done nothing towards carrying out the scheme, except the passing of an Act of Parliament authorising the permanent survey for an extension of the Port Darwin and Pine Creek line to Katherine Waters, some 100 miles south. It is proposed to build this extension on the same gauge, 3 ft. 6 in., as the present line, but to make provision for an eventual change over to 4 ft. 8½ in. The north and south

line would open up to profitable occupation the rich pastoral lands which lie around the Macdonnell ranges, almost in the centre of the continent, and make possible a thorough prospecting of these ranges for their known mineral riches. If the Commonwealth is to make good its "white Australian" policy, and to settle the Northern territory properly, a north and south railway is essential, and there can be no doubt that one of the most pressing needs of Australia, at the present moment, is a definite decision as to the route the line shall take and the date on which the work shall begin.

T. HUDSON BEARE.

(To be continued.)

GRAPE-GROWING IN ONTARIO

It will surprise many people to know that grapes were grown in Ontario before 1860, though on a small scale. Of recent years, the industry has increased rapidly. In 1901, the acreage was 5,750 acres, in 1912 this area more than doubled a crop yielding over 40,000 tons. The development of the markets, the keeping qualities of the grapes, and the progressiveness of the shippers and co-operative associations, have all assisted the grape industry, and its present extent may be gathered from the fact that car loads of grapes are shipped from the Niagara district to Vancouver in the west and Halifax in the east. With the development of the grape, there has been an increase in the manufacture of wine. There are about a dozen large wineries, and about one-third of the crop of grapes is manufactured into wine of many varieties. In Ontario the grape thrives on a variety of soils—from sandy to a very heavy flat red clay. In the Niagara district the best grapes are grown on the mountain washing soils, which from year to year are kept fertile by the water from the mountains. The grape is, perhaps, freer from the devastation of insects and diseases than any other fruit grown in the Niagara district.

THE AGRICULTURAL POLICY OF THE UNIONIST PARTY

(Continued from p. 394.)

By J. CHRISTIAN SIMPSON

I WILL now refer briefly to a few of the propositions which Unionists believe would assist agriculture, and relieve "the sad plight of the British farmer," to use Mr. Asquith's phraseology. Certainly the Prime Minister and his colleagues have done very little in that direction. Take for instance the Parliament Act, the Home Rule Bill, the Welsh Disestablishment Bill, or the Plural Voting Bill. How any of these measures can improve the sad plight of the British farmer passes comprehension.

Then there is the National Insurance Act, which in East Anglia imposes a tax equal to one shilling an acre of cultivated land. The Act is an ill-considered, complicated, and expensive mixture of Socialism, Protection, and Poll Taxation. It is Socialistic in so far as the State has compulsorily taken the place of Voluntary Institutions, and individuality, in its various forms, is abolished by the flat-rate contribution. The Protection afforded is incomplete and partial. The Insurance Premiums do not cover the full period of sickness in any case nor the full medical treatment in all cases, while in several cases the payment is for something that the insured person can never by any possibility obtain. But to return to the Unionist Agricultural Policy.

Agricultural ownership is far preferable to tenancy, however permanent or secure that tenancy may be under a County Council. Tenancy is like a perpetual hire-purchase system, by which the hire always goes on, and the purchase never comes off. It is not proposed that the tenant system should be uprooted wholesale, but there is certainly room for an increasing small ownership system being developed in many circumstances where tenancy is at present the only alternative. The great benefit that has accrued to Ireland since the Land Purchase Act of 1903 has been in operation, offers every encouragement

for something on a less wholesale scale being carried out in Great Britain under suitable conditions. Mr. Devlin has told us that "there are now 250,000 Irish farmers who own the soil they till," and as recently as October, 1912, Mr. Birrell did not hesitate to say in the House of Commons that "in his judgment land purchase and the completion of land purchase are for the moment more important than Home Rule." Seeing that British credit to the amount of some £118,000,000 has been placed at the disposal of Ireland, and interest at $3\frac{1}{2}$ per cent. on £3,000,000 is guaranteed to the Sudan cotton growers, it seems only reasonable that British credit should also be made available for small agricultural owners in England and Scotland.

It is, therefore, most desirable to carry out the Unionist policy of granting the assistance of the State to tenant farmers to enable them when opportunity arises to acquire and own their holdings, and also to labourers and other suitable persons to become occupying owners of small holdings of land. When it is realised that in recent years over 2,000,000 acres of wheat-fields have gone out of cultivation, it is obvious that something must be done to counteract such a falling off in agricultural activity and life as this must entail. It is not possible for the whole of these acres to be again devoted to wheat-growing, and the raising of other crops suitable for small holdings must be encouraged by educating the owners in the art of intensive cultivation of vegetables, fruit or flowers, and in the bright outlook for scientifically conducted poultry and egg farms. On a large scale reference might be made to the cultivation of beetroot for the supply of sugar factories in various districts. Such a factory is already established at Cantley and has proved in every way successful.

The cultivation of tobacco is becoming an important industry not only in Ireland, but also in East Anglia, Hants, Worcester, and North Wales. At the recent Royal Agricultural Show there were over thirty exhibitors. East Anglia tobacco took first prize, and "waste land" tobacco from Methwold gained third prize. Sir Nugent Everard expressed the opinion that tobacco was an ideal crop for small holders. Two points in favour of this development are (1) that encouraging yields have been obtained on land too poor for ordinary cropping, there being thus no question of merely supplanting one crop by another; and (2) casual labour can be used.

Thus, in one way or another, the general loss of the wheat-fields may be in part compensated for, as well as certain local specialities—such as chicory-growing or the production of woad, both of which are now obsolete, the former through the action of Free Trade duty on that article, which produces a mere trifle

of £48,000, the latter from the chemical advances in the making of artificial dyes. Another local speciality is the cultivation of hops. It costs from £40 to £45 an acre to grow hops. Last year was by no means the worst as regards acreage, but there were only 34,829 acres of hops compared with 71,789 acres in 1878. This deficiency of nearly 37,000 acres represents an annual loss of about £1,500,000 in wages to the British labourer, in great part due to the dumping of foreign hops on our markets.

Although it is not possible to transfer Continental conditions to the United Kingdom, it is instructive to note that, approximately, agricultural land is owned by occupiers to the extent of 87 per cent. in Denmark, 86 per cent. in Germany, and 53 per cent. in France, compared with only 12·2 per cent. in England and Wales. It is exactly from countries such as these, with a large proportion of small owners, that we get dumped upon us such an enormous surplus of agricultural produce. Thus, so far as Europe is concerned, we allow free imports of butter from Denmark, France, Russia, Sweden. Cheese comes from Holland, Italy, France; eggs from Russia, Denmark, Germany, Italy, Hungary, Belgium, France; vegetables from France, Germany, and so on. All these and many other foodstuffs in addition to the cereals can be produced at home of good quality and in ever increasing quantities. The two great factors affecting the home market are (1) these enormous quantities of free imports, and (2) the difficulties in the way of marketing the home produce at a profitable rate in order to compete with the foreign competitive produce on a fair basis. In fact, the foreign competitor has the run of two markets, the home producer has only one—in which he is at a disadvantage.

It is significant of the times how a great national question, such as is agriculture, is treated by certain politicians. Thus, a Radical Member of Parliament, Sir M. Levy, expresses the opinion that “the present agitation in favour of small ownerships is against the best interests of the country, and if carried out will preclude the possibility of land nationalisation”! On the other hand, a Radical candidate, Mr. Harold Spender, thinks “we ought to aim at creating as many freeholders as we could—men who would stand up against the King and the House of Lords as in Cromwell’s time,” and “who would strike a blow at the Game Laws.” This same gentleman in one breath denounces National Military Service, which he wilfully confuses with Continental conscription, and in the next expects freeholders such as he desires (? potential rebels) to form the basis of a satisfactory volunteer force to defend the King and country. It is difficult to follow such contradictory motives and results as are exemplified by these divergent opinions and aims. Mr. Spender

has also told us that in France over 20,000,000 of the population live on the land. If 53 per cent. of these persons are small owners there are over 10,000,000 in France, but he ignores a very important point in this connection. The question of small holdings in France was recently fully reviewed in the *Morning Post* in a series of articles, and the conclusion arrived at was that "the small holding system, coupled with high Protective duties, evidently enabled tillers of the soil to make a living where it would be impossible in this country to pay rent and taxes. The duties that are levied on imported stock and foodstuffs are in favour of the small cultivator, and accounts in some measure for the strenuous efforts made to cultivate land."

The power of these duties to make country life possible and profitable will be better appreciated when it is realised that the yield of wheat in France is only 2·37 quarters per acre, compared with 4·03 quarters in Great Britain, while the potato crop in France is 4·38 tons per acre, compared with 6·09 tons here. It is, therefore, obvious that duties on imported competitive produce, very much smaller than those abroad, are all that are necessary in the United Kingdom, which already has the advantage of higher productivity—to stimulate the British producer to increased efforts, thus increasing employment and wages, and to readjust the balance in the British market—his sole market—so that it will be in his favour instead of against him as at present. Any rearrangement, however, would only be possible after a conference with the Dominions and a further reference to the people of this country, who at present pay every penny of the £10,476,775 derived from taxes on food, because by deliberate choice of Free Traders the articles taxed are those not produced in this country, no competition is possible, and therefore the consumer pays the full tax added to the prime cost of the article.

Better housing of the working classes is acknowledged by all parties to be urgently required. Under the late Unionist Administration, cottages and small houses were built at the rate of some 110,000 a year. When the Radical Party assumed office the rate dropped to some 87,000 a year. "The People's Budget" caused a disastrous slump to 10,651 houses under £20, and even after these intervening years Mr. Burns admits that the number is now only 80,000. There is thus a shortage of about 250,000 houses throughout the country. This has forced up rents and contributed seriously to the cost of living for the working-man. The shortage is in great part due to cessation of speculative building, owing to taxation, not only of "fortuitous windfalls," but also of legitimate profits and even unavoidable losses of the builders, while various land taxes were also specially conceived to burden the landlords. The land taxes have proved a fiasco, and

great national loss has been incurred, seeing that only £220,000 revenue has resulted in three years from a State expenditure of over £1,300,000 for valuations, in addition to £500,000 a year for paying an army of over 4,000 new Civil Servants. According to Mr. Lloyd George, "if a tax was well and truly laid, if it was a sound tax, it was more likely to err on the side of exceeding the estimate than on the other side." Not only do these land taxes fall hopelessly short of the estimate, but they are ruinous as regards the cost of collection and in their results. They are the very opposite of a "well and truly laid or sound tax," as defined by the Chancellor of the Exchequer.

Sir Arthur Boscawen brought in a Housing Bill in 1912. The Radical Government destroyed it by refusing the necessary financial grant. Six months later Mr. Burns, Lord Strachie, and the Radical Press began to advocate the very system they had destroyed, claiming it as their own special device, and misrepresenting the Unionist Bill in this respect. A third Unionist Housing Bill was brought in in April, 1913, incorporating certain improvements effected in Committee on the previous Bill. This Bill passed its second reading in the House of Commons by a majority of 140, in spite of what the *Daily Chronicle* called a "pedantic and intemperate speech made by Mr. Burns," whose policy of closing cottages without providing others has aggravated the shortage of cottages and intensified overcrowding. This Bill has once more been wrecked by Mr. Burns in Standing Committee, as he refused any financial assistance in this matter of urgency, largely due to faulty State action. It has been estimated by Mr. Walter Long that the wrecking of this Unionist Housing Bill has prevented 5,000 cottages being speedily provided for working-men. The *Daily Chronicle* remarked on April 19th, "the expenditure is well warranted," and asked, "Why does the Government occupy the indefensible position, in an urgent matter, of defying the overwhelming majority of the House? Why does it neither bring in nor take over such a measure?" Such a noble state of independent criticism was too good to last long, so one is not surprised to read a fortnight later that "no tears need be shed over the loss of the Unionist Housing Bill," "the method is a thoroughly vicious one," and "the financial clauses thoroughly unsound"! A triumph of political inconsistency.

The cost of building a cottage in Cambridgeshire is now reckoned at about £150, and the least economic rent required is £8 a year. This is equal to just over 3s. a week, which is more than the average labourer can pay, yet is only a return of about 5½ per cent. on the capital expended, not including the cost of the site. There are three sources from which building can

proceed—the local authority, the landlord, and the builder. All these seem shy of investing or speculating in bricks and mortar, though the President of the Board of Agriculture admits that 90,000 new cottages would be required in the next five years. Miss Cochrane recently reported “that local authorities were not taking as much advantage of the Housing and Town Planning Act of 1909 as they ought to do. Last year twenty-three councils borrowed £60,000 for the construction of cottages; by far the largest amount in one year”! It is obviously difficult for rural district councils to build cottages unless economic rents are forthcoming; otherwise the loss would go on the rates. In the case of Ireland, 42,000 labourers’ cottages have been erected by means of State grants, but evidently what is all right in Ireland is all wrong in England, so the Nationalists voted against the Unionist Housing Bill.

As an example of what a landlord can do, the experience of the Duke of Bedford may be quoted. On one of his estates he gets a net return on over £18,000 capital sunk in cottages, amounting to 0·9 per cent., or 18s. per £100 per annum, the houses being rented at 1s. 8½d. per week. If he paid insurance premiums on these eighty-six cottages the return would hardly be anything at all. Evidently only a wealthy and philanthropic landlord can afford to carry out building operations on such a non-commercial basis. Certain landowners have also publicly offered to sell land which has only an agricultural value at its agricultural value to local authorities and public utility societies, and, in certain cases, to give land to those bodies on condition that it should be retained and used by them to build cottages for agricultural labourers and other members of the rural community, and that a garden of at least twenty rods be attached to each cottage. But here again the difficulty is, where is the capital to come from if not advanced by the Government at the lowest rate of interest which the state of public credit will allow? So far, no reply to this offer has been made public.

As a matter of fact, far more dilapidated house property belongs to grasping and needy small house-owners than to any large proprietors. Until these small house-owners are seriously tackled equally with any neglectful large landowner, and persistently made to keep their property in fit and habitable repair, much hardship is undoubtedly inflicted on many poor people, for, on the one hand, they are compelled to live in bad houses, or, if the houses are condemned, they have no other convenient houses to remove to. Much can be done in such cases by the local authority having personal interviews, and favourably influencing the owners as to their serious responsibility if they neglect their property.

The difficulties of the builder, speculative or otherwise, have been already alluded to, but the following resolution recently passed emphasises the points :—"That the building trade employers of Birkenhead, Wallasey, and Wirral strongly protest against the low valuations, unfair claims for increment duty, and the disastrous effect of the Finance Act on the building trade." In London 9 per cent. of men in the building trades are out of work, while throughout the country there are 5 per cent. in those trades unemployed in this trade boom year. This was stated by Mr. Philip Snowden on February 25th, 1913, presumably from Trade Union returns, but the true state of affairs is rather to be found from an examination of figures under the unemployment section of the Insurance Act. The Board of Trade *Labour Gazette* reports :—"The percentages given may be taken to represent pretty fairly the proportion of workpeople in the industries who were unemployed on the date to which the returns relate," and one finds that on January 31st, 1913, 12·5 per cent. of men in building and works of construction trades in London and south-eastern district were unemployed ; and for the rest of England practically the figures varied from 7 to 7·7 per cent. The total of all insured workpeople in the United Kingdom was 5 per cent., compared with only 2·2 per cent. according to mere Trade Union returns, which show an enormous underestimate of unemployment. On February 8th, 1913, it was reported that over 132,000 unemployment benefit claims had been lodged in the first three weeks of the Act, and a very large proportion of these were in connection with the building trade, though the season was quite favourable for the trade.

As to house rent, Mr. Burns denounced any assistance from the State whereby it might be made cheaper, on the ground that cheap house rents would stereotype low wages ! On the other hand, Mr. Keir Hardie has expressed his view that the reason why wages were low is because rents and profits were high. Therefore nationalise the land !

The common-sense middle course is to attempt to supply houses at a rent suitable to the wages of the persons requiring accommodation, and when, as a result of reform in our fiscal policy, wages rise, it will then be possible for a local authority, landlord, or builder to invest their capital either in building better houses or in making additions to existing arrangements, and so obtain a reasonable return on the money sunk in the enterprise. Rural co-partnership housing has proved successful in a sufficient number of cases and in varying conditions. It could be applied with equal success to every corner in England. The greatest difficulty is the financial one. The Housing and Town Planning Act of 1909 only allows two-thirds of the value

of houses and land to be advanced to public utility societies, and it is impossible for working-men to supply the remaining third in cash. The Act is therefore unworkable except in districts where well-to-do residents are able or willing to invest in the scheme. The Housing of the Working Classes Act, 1890, also permits of loans being granted, and much useful building and housing have been done by companies registered as a public utility society on the lines of this Act. But much remains to be done, and Housing Reform constitutes an important part of the constructive policy of the Unionist Party in the near future.

More efficient and economical transport and distribution of all agricultural products and requirements are important matters. Railway companies are not philanthropic or charitable institutions, but industrial concerns, whether owned by a State or by private company. Doubtless in certain cases local railway rates seem high enough to almost discourage frequent transport of comparatively small quantities of goods to or from any individual small farmer. This is particularly hard on him when it is remembered that foreign exporters to our free markets get the advantage, not merely of special reduced rates in their own country—practically an export bounty—but also advantageous through rates on our railways, partly due to the fact that large quantities are consigned at one time, and are therefore able to be handled with the least possible expense. The result is, so far as the small home producer is concerned, that after various commissions, railway charges, etc., are deducted from the gross price credited to him, there may be left a mere trifle to remunerate him for all the time, labour, and money spent in trying to raise produce and place it on the home market. The Light Railways Act, 1896, has been of great value in enabling districts to be served when an ordinary branch line could not be worked. A total of 645 applications for orders to authorise light railways have been made since 1896, and in 1912 twelve miles of new line have been sanctioned. The Light Railways Act, 1912, increases the amount placed at the disposal of the Treasury under the Act of 1896 from £250,000 to £750,000 for special advances in aid of Light Railways.

In South Africa the State railways have a collection on delivery system, which seems to answer well, though it might not be so suitable in this country, with its old-established customs of marketing. But in connection with this system, in accordance with a Protectionist policy, they give special reduced rates up to 25 per cent. on the carriage of South African produce, compared with the rates charged on any imported goods—apparently the exact opposite of what obtains here. Indeed, when 5 per cent. general increase in home railway rates took

place five years ago not one of the foreign rates was increased. It will be interesting to see what will be done on the present occasion, when an average increase of 4 per cent. is to be made in accordance with the Railway Act of 1912, for it is obviously unfair that the importer of foreign goods should not, equally at the very least, share any increase that has to be met by the home manufacturer. In the case of flour, the increased rate has been estimated to be equal to one penny per hundred quartern loaves, so the price of bread cannot be affected on this account.

It is difficult, even if possible, to exactly reckon what portion of the wholesale price of foreign imported produce represents the various freight charges, for there is often little difference in the cost of produce coming from greatly different distances or methods of transport. Thus, at Liverpool, on May 3rd, 1913, Irish eggs per 120 cost from 7s. 8d. to 8s. 2d., Austrian from 6s. 6d. to 6s. 9d., and Russian from 6s. to 7s. As regards butter, Danish (choicest) cost from 116s. to 120s., Irish Creameries from 112s. to 115s., New Zealand from 113s. to 115s., Argentine from 107s. to 110s., Australian from 106s. to 110s., Siberian from 102s. to 105s. Putting either quality or size on one side as being an important determining factor in the price, it must be obvious that if it be possible to place produce on our markets and sell at a profit at these prices after coming such long and varying distances, and including the prime cost of collection, packing, etc., it should be more than possible to do so from British farms, practically at our door. Another interesting point is, who pays these varying freight charges?—the foreign or colonial producer making free use of our market, or the home consumer?

It is in such conditions that co-operation has been proved to be an advantage. The Irish Agricultural Organisation Society and over 900 affiliated societies with which the name of Sir Horace Plunkett will always be associated, have been invaluable to Ireland, and Co-operative Agricultural Societies are to be found all over the Continent doing great service both in assisting production, and also in aiding the profitable disposal of the products. It is surely not impossible that something similar can be done on a large scale in Great Britain by means of its Agricultural Organisation Society and its 460 affiliated societies, so as to aid in negotiating for the collection of larger amounts, and for reduced rates for such, travelling at one time to and from one district, as well as by giving assistance in arranging sales at better prices, perhaps, than could be got by the individual small producer. A suggestion has been made in regard to freight charges whereby the system of rating would be on weight in relation to value, instead of weight in relation to bulk. Another is, that a uniform scale be adopted for small parcels irrespective

emigration of the rural population and actually increase the birth-rate! In Germany the systematic furtherance of Rural Co-operation has been a matter of settled policy for nearly a generation, and public aid has been liberally granted for this purpose.

The question of Transport and Distribution seems in great part to resolve itself into a question of co-operation and systematic organisation not only in the work of production, but also in collection and distribution, by trains, motor services, or otherwise. It will thus form a definite branch of our most important home industry that can be almost indefinitely expanded and developed so as to help to solve one of the most serious problems of the age—our food supply in time of war. In this connection it has been advocated that national granaries should be established, but it is evident that before this could be satisfactorily carried out these other points must be perfected and in full working order.

It is essential that landlord, farmer and labourer should have ready, easy and economical means of borrowing money, should any of them not have sufficient capital or ready money available at any time of stress or under circumstances requiring extra expenditure. Rural Credit or Land Banks are, therefore, a necessary and urgent matter to take in hand. The Radical Government did bring in an Agricultural Credit Bank Bill, but did not proceed with it. A Unionist Credit Bank Bill was also shunted by the Radical Government, so there is no satisfactory legislation on this subject. The backward state of the United Kingdom in this respect is nothing short of a revelation, for according to Mr. Runciman there are only forty-five Credit Banks throughout this country, whereas in Germany there are 17,000 Agricultural Co-operative Banks or Rural Credit Societies.

It is characteristic of the Radical Government that no member of the Board of Agriculture was present at the Congress of Agricultural Syndicates recently held at Nice. The Austrian Minister of Agriculture was represented by a high official of his Department at all the sittings. In connection with Rural Credit, it was announced that a Compensation Department was to be established so as to facilitate the operation of local and district Rural Credit Funds and to offer its services to agriculturists. The French Rural Credit system has been in operation since 1897, and has been a marked success, and of great assistance to agriculturists throughout the country. In Italy, too, there is a system of Co-operative Agricultural Banks of such importance that an American Agricultural Commission consisting of eighty-four members appointed by the Federal Government and including also representatives of the Canadian Provinces of Alberta,

of the "special dumping duty." Goods sold in the U.S.A. at a price less than the fair market value of the same articles when sold for home consumption are subject to a dumping duty equal to the difference between the export price and the home market value, but the duty is not to exceed 15 per cent. *ad valorem*. But in the United Kingdom how can the home producer get the benefit of any increased production if the same enormous amounts of foreign competitive imports are admitted free and unrestricted into his only market, the costs of which he alone has to bear? In such circumstances the more home produce sent to market the greater and more permanent would the glut be, with consequent unremunerative prices. Therefore, if the home producer is to be encouraged to increase his production and so help to decrease unemployment and raise the level of wages, then the balance in his favour must be made and kept, by means of a reasoned tariff on foreign competitive articles, the producers of which desire above all things and must have a place in our markets. At the same time, the home consumer, who is also a producer, will be protected from increased cost of living, by the increased home production in time replacing whatever foreign produce is excluded, and thus no scarcity will arise. There will also be in operation the healthy competition, not merely between rival home producers, but between them and the foreigner, and the greater the production the less the cost of production per unit of the article. On the other hand, the duty paid by the foreigner, in part or whole as the case may be, on such produce as he wishes to sell here, will be fresh revenue for the purposes of some of the agricultural reforms so urgently required. As a prominent French agriculturist once remarked: "You may be a Free Trader in theory, but no agriculturist can be a Free Trader in practice."

In France there is a Central Union of Agricultural Syndicates, based on the association and co-operation of men and masters, rich and poor alike, comprising about 2,500 Syndicates and 3,300 Mutual Benefit Societies. The two great principles are: (1) The organisation of agriculture and its representation in the State; and (2) the formation of the character of the individual agriculturist. As an example of how these local syndicates are distributed, it may be mentioned that there are fourteen in the Alpes Maritime District. In connection with dairy farming, one undertakes the milk supply of the town of Nice, with 100,000 inhabitants, from a valley district sixty miles away; olive oil mills or flower distilleries have also their own syndicates. In other wine districts there are thirty-five Caves Co-operatives, and it has been proved that such Co-operative Syndicates have been able to check the

emigration of the rural population and actually increase the birth-rate! In Germany the systematic furtherance of Rural Co-operation has been a matter of settled policy for nearly a generation, and public aid has been liberally granted for this purpose.

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Ontario and Saskatchewan, has visited Rome and other cities to study its working. This Commission, which embraced sections dealing with finance, production, distribution, and organisation of agriculture, held a Conference in London after completing an extensive European tour. It visited Ipswich to investigate the Eastern Counties Farmers' Co-operative Association, while at Dublin the Co-operative System among Irish farmers and Co-operative Banks were inquired into and evidence taken as to the work of the three agricultural organisation societies in the United Kingdom.

So far as the labourer is concerned it will remain to be seen what will take the place of the old village clubs, which, to a very great extent, have been swept out of existence since the National Insurance Act came into operation. The thrift or slate clubs in villages were most useful institutions. They appealed to the villagers and labourers, and a suitable substitute must be provided.

There must be a readjustment of local rates, which to a large extent are really national burdens, but which at present are pressing most unfairly and heavily on agriculture. Various Acts of national extent and importance are required to be administered by the County Councils. All these Acts cost money to carry out, the only source being the local rates, which are, therefore, constantly increasing. The taxation of agricultural land in England is much higher than in Germany, France, or Belgium, while Australian land does not pay one-quarter the taxation of English agricultural land, though receiving many benefits not thought of at home. Thus, in Cambridgeshire the rate has risen in six years from 1*s.* to 2*s.* 2½*d.* in the £, and some of the more recent and expensive items, such as the Sanatorium Benefits—not yet fully accomplished—the Shops Act and the Tuberculosis Order, 1913, are each reckoned to cost some £2,000 a year. It has been stated that the relief granted by the Agricultural Rates Act of 1896 has been completely nullified by the increased burdens imposed by such recent Acts of Parliament. There are also the upkeep of the roads, police, and education. All these matters are national, not merely local affairs. That this is no mere Unionist vote-catching scheme is proved by the following quotation from a letter written by the single taxer, Mr. Outhwaite :—

The Budget of 1913 shows that a new and fruitful source of revenue will have to be found. The demand of the local authorities is that a substantial part of the burden of £42,000,000 a year for national services cast on them shall be resumed by the Imperial Government. The Chancellor of the Exchequer is only able to avoid a deficit by maintaining a system which is reducing local exchequers to a condition of bankruptcy. So it is evident that to meet these

demands the Chancellor will have, before long to find at least £20,000,000 a year from a new source.

Needless to say, Mr. Outhwaite's remedy is the taxation of land values. Thus, on one hand there is suggested this land taxation to the tune of £20,000,000 a year, and on the other "a quid a week for the labourer"—held out as a bait or bribe by a certain ex-farm labourer Radical candidate, who is now in a disjected and disgruntled state of animation. Where the sad plight of the British farmer and of the consumer comes in is not so apparent, but it would be worth while to consider their positions before plumping for either scheme. However absurd such suggestions are, the deplorable state of Free Trade finance is an absolute certainty, and constitutes a grave danger to the Kingdom that can only be counteracted by a reform in our Fiscal Policy. Anything, however, that has not for its prime aim the landing of landowners in the nearest Bankruptcy Court sooner or later, as trumpeted forth at the Midlothian election, is not a fit subject for Radical-Socialist legislation. Nevertheless it is an urgent matter that local rates be differentiated as far as possible from those of a general or national character, seeing that Mr. Jesse Collings points out that British agriculturists pay thirteen per cent. in rates and taxes on the value of their produce for the support of the Army, Navy, and other national institutions.

A readjustment in this direction, along with the other propositions referred to, constitute in part the Unionist policy in connection with the Industry of Agriculture so clearly set forth by Mr. Bonar Law in his Edinburgh speech. This policy was re-affirmed by Captain Tryon in the House of Commons, to the effect that the increased national revenue derived from the imposition of a moderate duty not exceeding an average of 10 per cent. *ad valorem* on foreign manufactured goods will make funds available for the assistance of agriculture and purposes of social reform. But agriculture is also closely connected with Imperial Preference which Unionists intend to carry out in so far as it can be accomplished without imposing fresh duties upon imported foodstuffs. Such a preference on existing duties was proposed by Sir Starr Jameson at the Imperial Conference, 1907, and of course rejected. It is perfectly practicable, and was in actual operation up to the year 1859-60. Even though at first the actual cash value of this preference may not be great, the principle will have been established, and unless there is some sign of the adoption of this principle, it is more than doubtful whether certain Dominion Governments would or could continue to give us a preference which has been repeatedly acknowledged by the Radicals to have "stimulated trade," and to be an "enormous advantage to British manufacturers!"

One cannot refrain from asking the question whether the Canadian Senate would have rejected the Naval Aid Bill had Colonial Reciprocity been in force. It is well to remember the statement of Mr. Borden that co-operation between Defence and Trade was most essential to give effective organisation to the whole Empire. India, however, stands in a special position in connection with Imperial Preference, for the fiscal policy of the Government of India must accord with that of the Free Trade Government at home. Sir Guy Wilson made some weighty statements in a speech at the Imperial Legislative Council when replying to a resolution in favour of Preference moved by Sir G. Chitnavis and supported by five Indian representatives. Sir Guy did not attempt to advocate any departure from a Free Trade policy, but merely reviewed certain aspects in the case. He proved that in the last twenty-five years the share of the British Empire in the import trade of India had fallen from 91 to 70·5 per cent., that the share of Germany, Belgium, and Austria had risen from 9 to 29·5 per cent., and that the United Kingdom had also ceased to be the chief external market for Indian products. And then proceeds to remark :

Looking at the facts of the case and the admissions of foreign writers and statesmen, there can be no doubt that the policy of free importation practised by the United Kingdom in regard to her home market has been of great advantage to countries like Germany and U.S.A. in carrying out their own economic views and in building up their own industries. But for the facility which British policy has created for the disposal of their surplus products, the high tariff policy they have pursued would not have been attended with the success which they have actually enjoyed !

The United Kingdom, so far as her tariff policy is concerned, at present stands outside the general Empire movement. Under the scheme of Mutual Empire Preference, generally accepted by responsible Tariff Reformers, it was held that in a recent year £23,000,000 worth of Indian agricultural produce and manufactures would be directly benefited by tariff preferences in the United Kingdom.

The charge that the Unionist Party has very little to offer agriculturists through the policy of Tariff Reform is ridiculous. In fact it is more and more difficult to see how the British agriculturist can hope to benefit from Free Trade legislation. The People's Budget demonstrates the bankruptcy of Free Trade finance and shows its inability to be a legitimate means of procuring the increased revenue so urgently required to carry out the agricultural and social reforms which are essential to the wellbeing of the United Kingdom and Empire.

J. CHRISTIAN SIMPSON.

THE MENTAL AND MORAL CHARACTERISTICS OF THE SEA DYAKS OF BORNEO

By the Rev. EDWIN H. GOMES, M.A.

(Author of 'Seventeen Years Among the Sea Dyaks of Borneo.')

THE Sea Dyak's mind differs greatly from that of a European. His outlook upon life is not the same, and his ideas of right and wrong are quite different. One's first impression is that the depths of the simple mind of the Dyak can easily be sounded, but maturer experience shows that first and hasty impressions are often wrong, and that it is not easy to understand and gauge the mental and moral characteristics of the Sea Dyak.

The Dyak has no idea of clear thinking, and logic finds no place in his brain, and the most contradictory opinions seem to dwell together in perfect harmony in the turbid stream of his mind. His conceptions of cause and effect are hopelessly muddled, and anything he cannot account for, he attributes to the action of unseen spirits. He cannot distinguish between coincidence and causation, and will argue that because his grandfather died after he had climbed a tree, therefore his death was caused by his climbing the tree, and consequently neither his father nor himself nor his children are to climb trees, if they wish to enjoy good health!

The liver is supposed to be the seat of various qualities and emotions. Bravery is considered the highest of virtues, and when they wish to describe the great courage of a man, they say he has a "brave liver." Intelligence also resides in the liver, and a man of knowledge is one possessing an "enlightened liver." Kindness is the quality of the man who has a "large liver," and perseverance that of one who has a "hard liver." A weak undecided man is spoken of as one who has a "soft liver."

The Dyaks have a most marvellous memory for facts which interest them. As they have no written language, the memory is strengthened by use, and they carry out Lord Beaconsfield's receipt for a good memory: "Never make a note of anything," a rule which I doubt if he kept himself. I remember asking a Dyak when a certain thing occurred, and he said that he was

farming in a certain part of the country that year, then he went on telling where he farmed each succeeding year, and put a small twig down for each year, and in this way he accounted for all the years up to the present. On counting up the twigs it was found the event took place more than twelve years ago. When the head-man of a Dyak village is trying a case, he will often recite the minutest details of some case which came up for trial many years ago. The Dyak incantations used at feasts last sometimes the whole night, and there are men who can repeat them. The witch-doctors also show great powers of memory in being able to remember the different invocations for different ceremonies. The Rev. W. R. Mesney, who worked as a missionary in Sarawak for over thirty-five years, and was Archdeacon of Sarawak from 1882-98, writes :

A clever old Dyak can give the names of his ancestors for many generations back. I once wrote down a long list of ancestors as a Dyak gave them. Days afterwards, I got him to go over the list again, and he did so without making a single mistake. Weeks afterwards, I checked the list by asking another man, who lived miles away from my first informant, but who was descended from the same old ancestors, and he gave the names quite correctly.

But though the Dyaks have good memories for such things as interest them, it cannot be said that their mental powers are great. Dyak boys are very quick in their early years in assimilating new ideas, and for a time make rapid progress, but at puberty there comes a falling off in capacity. Their energies seem to be absorbed exclusively in bodily functions, nutritive and sensual, and at the age of puberty, the development of the brain, as a general rule, seems to cease. There are, of course, a few exceptions to be met with. Occasionally a lad lives through the critical period of the first three or four years of puberty, and is none the worse afterwards. But as a rule the Dyak does not pass through the test so well, and the mental powers which, in the lad of fifteen or sixteen showed hopeful signs of future development, cease to grow after he has attained the age of twenty.

In the mind and heart of every man there is a moral standard of right and wrong. This quality, as known by him and applied in judging his own conduct, is what we call "conscience." The judgments of conscience upon the person's own conduct are accompanied by certain pleasures and pains, according to his obeying or disobeying the dictates of his conscience. If he judges himself to have acted up to the moral standard of his conscience, he has a certain pleasure of self-approval. If, on the other hand, he feels he has transgressed his moral standard, he feels the pain which is called remorse.

The intuitional moralists consider conscience a faculty of intuitive moral principles of judgment which, if not obstructed

in its operation, is uniform in all men and in itself perfect and unerring. Further, they assert the intuitions of conscience are not acquired as a result of development and education, but are the judgments of an inherent faculty of the human mind. But this theory is not in accordance with actual facts, but is rather the expression of an ideal at which moral reflection aims—viz. the perfect perception of moral truth as being always an existent, though possible latent, faculty. Now while the ideal moral truth must always be the same, and while we must assume that man is not incapable of attaining this truth, yet it is certain that all men are not in equal possession of it, and it is uncertain whether any man is fully in possession of it. For instance, this faculty of moral perception is so indefinitely latent among such people as the Dyaks, that sometimes one is inclined to say that they possess no conscience, or at best a very unenlightened conscience. No doubt every man possesses a conscience, but a process of development and education is necessary for its improvement and perfection, and the standard of moral principles must vary with the training and environment of the individual.

Whatever may be said of the conscience of the Dyak, there can be no doubt that he is familiar with many of the emotions which usually accompany an active conscience, such as inward misgiving, fighting against temptation, repentance, self-reproach or remorse. Still for all this, it is remarkable to notice how sometimes he acts as if quite devoid of a conscience, and rides roughshod through life, apparently with no sense of right or wrong; and then, suddenly, the same man will act in quite a different manner, as if some faculties of his soul, that were before dormant, had suddenly come to life, and made their power felt. Many things may lead to this awakening of his conscience. It may be that he has had a remarkable dream, and this haunts him day after day, giving him no peace. Or it may be that he has heard the cry of a bird of ill-omen, and this leads him to think of his past conduct, and to try and discover if in any way he has done anything displeasing to the gods. Or else he may find on returning home some dearly beloved child seriously ill, and this makes him extra careful of his conduct, lest some wrong deed may lead to the gods and spirits punishing him by taking the life of his child.

As the Dyak's ideas of right and wrong are a little confused, his unenlightened and uneducated conscience is not much of a guide.

The natives describe conscience as the voice of a god (*petara*) speaking to them, somewhat in the style of the "Demon" of Socrates. A man, who acts in a disgraceful way and is not ashamed of himself, is said to have a "bad spirit" (*petars jai*)

urging him, and I have heard men sometimes say that they were not responsible for their conduct, but it was the fault of their *petara*.

Like most Orientals the Dyak is apathetic, and has no desire to rise above his present condition. But he is truthful and honest, and these qualities are rather unusual in Eastern races.

In his jungle home, the Dyak is remarkably honest. Families are often away from their homes for weeks at a time, living in little huts on their farms, and though no one is left in charge of their rooms in the long village house, things are seldom lost. Sometimes Dyaks become demoralised by associating with other races in the towns, but a case of theft among the Dyaks in their native wilds is indeed rare. I have not been able to discover any traditional law which fixes the punishment for theft. It has not been necessary to deal with the subject at all.

With an experience of nearly twenty years in Borneo, during which I came into contact with thousands of the people, I have known of only two instances of theft. One was the theft of rice. The woman who lost the rice most solemnly and publicly cursed the thief, whoever it might be. The next night the rice was left at her door. The other was a theft of money. In this case, too, the thief was cursed. The greater part of the money was afterwards found returned to the box from which it had been abstracted. Both these incidents show the great dread the Dyaks have of a curse. Even an undeserved curse is considered a terrible thing, and, according to Dyak law, to curse a person for no reason at all is a fineable offence.

The Dyaks are very truthful. So disgraceful indeed do the Dyaks consider the deceiving of others by an untruth, that such conduct is handed down to posterity by a curious custom. They heap up a pile of branches of trees in memory of the man who has uttered a great lie, so that future generations may know of his wickedness and take warning from it. The persons deceived start the *tugong bula*—"the liar's mound"—by heaping up a large number of branches in some conspicuous spot, by the side of the path leading from one village to another. Every passer-by contributes to it, and at the same time curses the man in memory of whom it is. The Dyaks consider the adding to any *tugong bula* they may pass as a sacred duty, the omission of which will meet with supernatural punishment, and so, however pressed for time a Dyak may be, he stops to throw on the pile some branch or twig.

A few branches, a few dry twigs and leaves—that is what the *tugong bula* is at first. But day by day it increases in size. Every passer-by adds something to it, and in a few years' time it becomes an imposing memorial to one who was a liar. Once

started there seems to be no means of destroying a *tugong bula*. I remember there was one by the side of the path between Seratok and Sebetan. As the branches and twigs that composed it often came over the path, on a hot day in the dry season, I have more than once applied a match to it, and burnt it down. In a short time, a new heap of branches and twigs was piled on the ashes of the old *tugong bula*.

It has often been remarked by Dyaks that any other punishment would, if a man had his choice, be much preferred to having a *tugong bula* put up in his memory. Other punishments are soon forgotten, but this remains as a testimony to a man's untruthfulness for succeeding generations to witness, and is a standing disgrace to his children's children. Believing as the Dyaks do in the efficacy of curses, it is easy to understand how a Dyak would dread the accumulation of curses that would necessarily accompany the formation of a *tugong bula*.

The Dyaks are very hospitable, and are always ready to receive and entertain visitors whether they be friends or strangers. A man travelling on foot through any part of the Dyak country, where there are many houses, need never trouble about food. He will be fed at the Dyak houses he passes on the journey, as part of their crops is reserved to feed visitors. When the family meal is ready, visitors are invited to partake of it. If many visitors come to a long Dyak village house at the same time, some have their meal with one family and some with another.

The Dyaks consider the refusing to entertain strangers as a very great crime. In the Sabuyau River there is a collection of rocks said to be the inhabitants of a whole village, who were guilty of a serious breach of the law of hospitality and refused to give food and shelter to some travellers. They were punished by the gods and turned into stones. Such a legend as this shows the Dyak idea of the importance of showing hospitality to all men.

The morals of the Dyaks from an Eastern point of view are good. There is no law to punish immorality between unmarried people. Parents are not strict in this matter, and it is considered no disgrace for a girl to be on terms of intimacy with the youths of her fancy until she has made her final choice. It is supposed that every young Dyak woman will eventually marry, so her duty is plainly to choose a husband in her youth from among the many men she knows. And yet, for all this, I should say that promiscuous immorality is unknown. It is true that very often a girl is with child before her marriage, but from the Dyak point of view this is no disgrace, if the father acknowledges the child and marries the woman. The Dyak has a very great desire to have children, to be known as the father or mother of So-and-so. They drop their own names after the birth of a child. A young couple in

love have no opportunities of private meetings except at night, and the only place is the loft where the young lady sleeps. The suitor pays his visit, therefore, when the rest of the family are asleep, and she gets up from her bed and receives him. Two or three hours may be spent in her company before he leaves her, or if he should be one whom she is not willing to accept as her husband, she soon gives him his dismissal. If acceptable, the young man may be admitted to such close intimacy as though they were already married. The reason is to ascertain the certainty of progeny. On his departure, he leaves with the young lady some ornament or article of his attire, as a pledge of his sincerity and good faith. On the first signs of pregnancy, the marriage ceremony takes place, and they are man and wife.

Divorce is very uncommon after the birth of a child, but where there are no children, for such reasons as incompatibility of temper or idleness, divorce is obtainable by either husband or wife on payment of a small fine. Sometimes they separate by mutual agreement, but such separations only take place where there are no children. The women are very faithful to their husbands when they have children, and adultery is very uncommon where there is a family.

The Dyak law respecting adultery is peculiar and worthy of notice. If a woman commit adultery with a married man, his wife may make a complaint to the head-man of the long village house, and receive a fine from the guilty woman; or, if she prefer it, she may waylay the guilty woman and thrash her; but if she do so, she must forego one half of the fine otherwise due to her. In the eyes of the Dyak, the woman is alone to blame in a case like this. "She knew," they say, "the man has a wife of his own; she had no business to entice him away from her." If a man commit adultery with a married woman the procedure is similar. The husband of the woman may punish the man, but no one punishes the woman. The whole blame, according to Dyak ideas, falls on the man in that case for tempting the woman.

If a married woman commit adultery with a married man, the husband of the woman is allowed to strike him with a club and otherwise maltreat him, while the wife of the adulterer has the right to treat the adulteress in the same way. The innocent husband supposes the one most to be blamed is not his wife but her tempter, and *vice versa*. This striking must not, however, take place in a house; it must be done in the open. The club used must not be of hard wood. Very often this striking is merely a means of publishing the fact that adultery has been committed, and no one is much hurt, but I have known cases where the man has been very badly wounded. No striking can

take place after the matter has been talked about or confessed, and if one knew for certain of a case of adultery, one could easily stop the maltreatment of one or both parties by talking about it publicly. The case is then settled by fining the guilty parties. Where both parties are married, and no divorce follows, the fining is no punishment, because each party pays to the other.

The Dyak view of the marriage state, especially where there are children, is by no means a low one. Though an Oriental people living in a tropical climate, their own traditional law allows a man to have only one wife. If, as sometimes is the case, a couple continue to live together after one of them has committed adultery, it is due to the fact that there are little children, whom they do not want to part with, and not because they think lightly of adultery.

I remember one day holding a service in a little prayer house in a village in Saribas, and giving an address on marriage, and trying to explain to my small congregation of Dyaks the Christian view of it. I said that marriage ought to be a life-long tie, that the Dyak custom of husband and wife separating for any trivial cause was a bad one, and that Christians when married should live together, "for better for worse," till death parted them.

An old Dyak present interrupted me by saying: "What if one of them commit adultery?" I went on to say that adultery was the only reason which Christ said justified a divorce. I mention this little incident, because I think it shows, in an indirect way, that deep down in the Dyak heart there is a feeling that adultery is a terrible crime, far worse than any other, and that where there has been adultery, it is impossible for husband and wife to live happily together.

Prostitution is quite unknown among the Dyaks, and I have never known a single instance of a woman earning her living by leading an immoral life.

The Dyaks are very unselfish and show a great deal of consideration for each other. They live together under one roof in large communities. Though each family has a separate room, all the rooms are usually connected with one another by little windows in the partition walls. This communal life accounts for the good-nature and amiability of the Dyaks. The happiness and comfort, to say nothing of the safety, of the community, especially in times past when warfare was more common than now, depend largely on their getting on well with one another. Therefore, as a natural result, there has grown up a great deal of unselfish regard for each other among the inmates of a long Dyak village house.

A great bond of affection binds together the different members of the family. Especially is this the case between parents and

children. An old father and mother who are past work are always kindly treated and provided for by their children.

Parents willingly risk their lives for their children. At Semulong near Banting, a man and his son, a youth about twenty years old, were returning by boat from their farm, and had just arrived at the landing-place. The father stepped out of the canoe, washed his feet on the river bank, and then turned to speak to his son in the boat. But the son had disappeared. The father at once guessed that a crocodile had taken him, though he had heard no noise. He shouted for help from the village house, and at once jumped into the water. He dived and felt his hand strike the crocodile. Drawing his short sword, he attacked the animal. He managed to drive the point of his sword into the breast, when the animal let go his son. The father brought him at once to the nearest mission station, where he was treated, but after ten days died of tetanus. The inner part of the thigh and knee of one leg was torn away, so as to expose the ragged ends of sinews under the knee.

The Dyak is apathetic and shows a great lack of initiative. His life is a hard and uneventful one, but he is ignorant of any other, and is quite satisfied with it. He knows little of the outside world. The scope of his conversation is limited to matters of farming or boat-building, varied perhaps by some local Dyak scandal, or some experiences he may have gone through when, in his younger days, before he settled down as a sober married man, he went out gutta-hunting in distant lands. He has no wish to improve himself. His father and grandfather lived in long Dyak houses, and what was good enough for them is good enough for him. Why should he worry himself about building better houses or farming in some new and improved way? He will not meddle with matters that are too high for him. Attempts have been made to teach him a better system of rice-planting but with no great success. The Dyak prefers his primitive methods of farming, and is most unwilling to give them up.

Still notwithstanding his lack of initiative and other faults that he possesses, a thoughtful consideration of the Sea Dyaks' works, thoughts, customs, belief and ideals, shows us that he is every inch a man, that his mental powers are quite equal to those of other races in the same stage of civilisation, and his moral characteristics far superior to theirs.

EDWIN H. GOMES.

THE VALUE OF BIRTH AS A NATIONAL ASSET

By JAMES STANLEY LITTLE

AT the meeting of the Eugenics Congress held some months since, Dr. F. A. Woods, of the Harvard Medical School, somewhat amused and startled his audience in claiming that the number of men of genius among royalties was a hundred thousand times as many as among all other classes of society. Out of 832 monarchs he claimed to have found by analysis that about 40 could fairly rank with any man of genius. At the same meeting another speaker declared that having analysed the intellectual status of certain members of the House of Lords, whom he divided into two groups, a group of eminent and a group of able men, he arrived at the fact that each of the eminent men had five able relatives; whereas eminent men of the middle classes showed an average of one able relative each. The explanation advanced was that there is more selective mating in the ranks of the aristocracy than in those of the middle classes.

It is somewhat quaint to find a typical American like Dr. Woods, belonging to a nation which theoretically upholds the doctrine of the equality of all men—all white men, that is to say, giving this handsome tribute to the opposing, or what may be called, the aristocratic idea; contending and giving chapter and verse for his contention, that genius, and indeed outstanding qualities and characteristics in human units, are no more due to chance, than are fine types or specimens, deviating from the normal in any other living being or thing; but are the result of selection, conscious or unconscious; or, in other words, of the interbreeding of commanding types. So far as dynasties are concerned the unbiassed student of history must be forced to admit that Dr. Woods' thesis is incontestable; though he may perhaps attribute the phenomenon itself to opportunity; and further may be pleased to bring forward the many instances of the decadence of once puissant houses, citing as examples, the instances of the Ptolemies, the Merovingian and Carolingian kings of France,

the House of Valois, the later descendants of the dynasty founded by Egbert, the Medici and so forth. The argument as to opportunity cuts both ways, for the opportunities to be foolish and vicious, like those to be wise and virtuous, are greater in a monarch than in almost any human being. The persistence in the former course leading to degeneracy has, of course, occasioned the ruin, and indeed actual extinction, of not a few royal and noble houses. Nevertheless it is remarkable in following the fortunes of many a dynasty we frequently find a princely family, after having lost seemingly its strength and virtue, demonstrating recuperative powers. Edward III., for example, was the son of Edward II., and Edward I. of Henry III., and similar instances might be multiplied.

As touching the transmission of virile qualities in noble houses it seems to me the evidence is overwhelming and conclusive. The family names of many such houses are practically synonymous with the possessors of the higher qualities; through successive generations with breaks here and there, of course, they keep cropping up in national and local history. There is nothing extraordinary about this. To-day everyone accepts Darwin's teaching; the main features thereof, that is to say, and his one-time theory of evolution is now an acknowledged and basic scientific fact. The permanence of distinguished attributes in certain families is simply what we might expect in the nature of things; while as naturally, decadence and degeneracy are accidents, incident to all such families. But the genealogist, whose delight it is to unravel the tangled skeins of family history, knows very well that the seeming anomalies presented by the sudden apparition from the ranks of the people of persons bearing all the insignia of breed and inherited refinement can generally be explained, when, as the result of patient research, the remoter ancestry of such persons is revealed. Forgotten strains of blood are discovered here and there; strains which because of their strength and persistence have made themselves felt after the lapse perhaps of many generations. These strains have leavened the baser mass into which they have entered; or the original strain has prevailed over the grosser elements with which it has inter-mixed.

These conclusions, unassailable as I believe them to be, do not in any way clash with, or traverse certain other main facts in regard to the evolution of the higher types of humanity. Obviously families must have a beginning. The leading families of any nation have not been the creation of a day. The first name on a pedigree is not that of the first creator of the family. Sometimes in an occult manner, more often so, the aspirations of many generations of forbears, their high thinking and clean living,

have gone before the finished product has burst upon the world, which regards the apparition as marvellous and phenomenal, whereas it is purely natural. Sometimes these processes of making a race are more obvious. We can trace the rise of many families through their various stages. For instance, the yeoman has gradually blossomed into the squire, and the squire into the peer. But it is stoutly maintained that unless in the main the fortunes of a family have been based on the possession of sound qualities and virtues, on prowess in the field, or integrity, imagination and courage in the mart, that family, however sudden and magnificent may have been its rise, has not endured ; a generation or two, three at most, and the family which has made itself by ignoble devices or has been thrown up by accidental good luck, has gone back again into the baser stuff out of which it has sprung.

In the past, however rough and ready the processes, nature seemed to have determined that come what might the higher types of humanity should be produced in sufficient numbers to enable them to lead, rule and control the lower types. In saying this one is not now merely thinking of the highest types in the so-called aristocratic sense, but of the picked families of every class. To-day the most robust optimism can scarcely pretend that this hitherto prevailing law continues to operate. It has suffered temporary arrest. Dr. Forbes Ross even goes the length to declare that the future inhabitants of these islands will approximate physically and eventually to the criminal types of to-day. The better types of humanity, the best types of every class, are being forced, he says, by economic conditions to restrict their number and at the present time "the nation is being propagated mainly by the class of people who retain in a large measure the primordial instincts and traits."

Dr. Hubbard in his 'The Fate of Empires,' looks to disaster and ruin as the ultimate and indeed the proximate result of the weakening of family, as an institution, in European countries. That indeed is the crux of the matter. These two writers and many another have stated the case plainly and unreservedly. The decay of family life is an undeniable fact, and a more serious one it is impossible to imagine. Under the guise and pretence of aiding mankind certain pamphleteers a generation or more ago flooded the world with knowledge (Malthus made practicable) which instead of being a boon and a benefit has proved a veritable curse to society, the greatest disservice done to it in our time, for it has resulted in checking the increase of all the better elements in the social fabric, while it has in the very nature of things done little or nothing to restrict the fecundity of the unfit.

One may say this much without trenching on controversial side

issues; without entering into the moral consideration involved, save to remark in passing that seeing that this knowledge has rendered lax morality much less penal in its results than heretofore, it has tended to lower those standards of life and conduct, the upholding of which is imperative, if the virility and soundness of a race is to be conserved.

Doubtless there are silent, inflexible laws in operation which make for the extinction, in the course of several generations, of degenerate stocks; but the process is a painful one, and when the degenerates form an important percentage of the entire population of a country, this law cannot operate in its own circle alone, for in its operation it contaminates by cutting into other circles: the vicious circle moves in ever widening sweeps.

That quack panacea for the ills of society, socialism, means nothing more nor less in practice, whatever it may mean in theory, but a process of levelling down. It can never be a remedy, since the tendency of all advancing, all progressive civilisations is to develop greater individuality in its units. Assuredly the remedy does not lie that way.

It must lie rather in a determination on the part of the folk who know that the qualities they possess, differentiating them from the common herd, have had their origin in the cumulative efforts of a long line of purposeful ancestors, to be true to their ancestry, and, being so, to be true to their posterity. This is not a question of exclusiveness or pride; much less of snobbery. It is not suggested that, in this empire in any case, such persons should surround themselves with a ringed fence so to speak. But seeing that in these islands, in any case, we are rapidly approaching a condition of affairs, it has almost arrived already, when ostentatious living and lavish expenditure will denote in families so indulging newly acquired wealth, it behoves persons of birth and refinement, even when they possess the means, a rapidly dwindling minority under existing politico-social conditions, to set up quite another standard of life; the standard of the real, not the simpering and affected, simple life. The false idea that fine clothes entitle their wearer to claim equality with any one, has taken complete possession of the great mass of the people, who prostrate themselves before the shrine of "smartness," so that already it is becoming taboo with self-respecting persons of gentle birth to be dressed in the latest fashion, while other forms of display are being laid aside by them.

It may be objected that not to go with, not to conform to the tendencies of the times means to be left behind in the race. It will be urged that since the democracy possesses already enormous power, and is likely to obtain more, the "people" are able, and will in the future be still more able, to squeeze and crush out of

existence classes, cliques or persons who dare to set themselves apart, following a standard not recognised by the mass, with whom the "guinea stamp" is the only criterion of pre-eminence or position. The political and administrative offices; the officering of the services themselves; the personal sources from which the "classes" derive their income are, it may be said, certain to come under the control of the proletariat; hence the masses of the nation will be able, it will be advanced, to bring the "classes" down to the dust.

This is sadly true. In the immediate future we must be prepared to see, in greater or less degree, the materialisation of these fears; since the poison with which the heresies popularised by the French Revolution has inoculated the nation has not yet fully accomplished its fell purpose. But, sooner or later, it must work itself out of the nation's system. Looking ahead a little further than to-morrow, we may take comfort for the day after to-morrow, should the better elements of mankind in every rank of society elect to be true to themselves; true to their origin, true to their posterity. Then we shall see the beginning of a salutary change. These better elements must close up their ranks resolutely; living their own lives and pursuing their own ideals; unmindful of the ways and ideals which are now those of the bulk of the people. Above all they must determine to have done with the suicidal selfishness of restricting their families, since if this restriction is to endure the present downward tendency must continue and become permanent, and the better elements of society suffer obliteration and extinction.

Should the policy indicated be observed, a day will dawn when the natural rulers of the country will come by their own again. In times of stress the nation will call to its aid its best; or to be more precise, its best will rise by the inevitableness of the necessity to take the lead.

A period of acute suffering and self-abnegation will have to be faced; for things must be worse before they are better. This and probably the next generation must reap the whirlwind sown by careless predecessors. But one must remember; that everything accomplished for the good of humanity in the past, has been accomplished by men and women who were not merely ancestor-worshippers, but posterity worshippers. It behoves us to live for our descendants rather than for ourselves. Our watchword must be not to seek salvation by going with the times, but to accomplish it by going resolutely against them. Then we shall be the true progressives; the others the reactionaries. Men and women of "birth," using the word in its widest sense to include all good stocks, must be true to themselves if this great nation, this great Empire is to endure.

JAS. STANLEY LITTLE.

THE CURRENCY DECIMALISED AND IMPERIALISED WITH THE SHILLING AS THE UNIT

By W. W. HARDWICKE

To a previous number of *The Empire Review* I contributed an article on currency, with the florin as the unit. I now venture to approach its readers with a similar scheme, but with the shilling as the unit. My reasons for adopting this value in preference to the florin are twofold. In the first place the scheme is a simpler one, and can as easily be adapted to the colonial coinages as the florin. And secondly the shilling is the popular coin with all classes—the artisan, the small tradesman, the merchant, and the banker. Moreover it is the coin which forms the basis of our daily trading.

TABLE SHOWING COLONIAL COINS OF LOW VALUE, WITH THEIR DECIMAL SUBSTITUTES.

Coins.	Value.	Countries Circulating in.	Substitute.	Value.
$\frac{1}{10}$ cent Mexican \$	·0017	Hong Kong and Labuan	$\frac{1}{10}$ centes	·001
1 cent "	·017	British Honduras, Hong Kong and Labuan.	1 + $\frac{1}{2}$ c.	·015
$\frac{1}{4}$ cent Straits Settlements \$.	·005	Straits Settlements	$\frac{1}{2}$ c.	·005
$\frac{1}{2}$ cent do. . .	·011	{ " and British {	1c.	·01
1 cent do. . .	·023		2c.	·02
$\frac{1}{10}$ anna ($\frac{1}{3}$ pice)	·006	British India	$\frac{1}{2}$ c.	·005
$\frac{1}{8}$ anna ($\frac{1}{2}$ ")	·01	"	1c.	·01
$\frac{1}{4}$ anna (1 ")	·02	"	2c.	·02
$\frac{1}{4}$ cent rupee . .	·003	Ceylon	$\frac{1}{2}$ c.	·005
1 cent " . .	·006	Ceylon, East Africa and Uganda .	"	·005
1 cent " . .	·013	Ceylon, East Africa and Uganda, Mauritius and Seychelles.	1c.	·01
$\frac{1}{8}$ farthing. . .	·006	Malta	$\frac{1}{2}$ c.	·005

In the scheme I now present the shilling would become the *acting* unit, chief coin of account, and integer of all sums. It would be subdivided into 100 centes, ten of which would be equivalent to a penny—one-tenth of a shilling. The pound or

sovereign of 20s. would still remain the gold standard and *essential* unit. The decimal multiple of the shilling is the half sovereign, which for convenience of nomenclature might be named "royal"—a name by which this coin was known in Henry VII.'s reign. This would in no way prevent large sums for Government comparisons, etc., being quoted, if desired, in pounds, which can be identified at once by simply halving all the figures to the left of the unit figure (the figure next the decimal point) of the integer, which now represents royals, thus: s.1354·27 represents r.135 + S.4·27, or £67 + s.14·27—the negligible quantity.

The half shilling, now six, would become fivepence, or fifty centes, and would circulate as such until replaced by the new decimal coin. The nickel* "twopence" of 20c. would be scalloped to distinguish from the silver coins, and would be legal tender to 5s. The three bronze coins—now one-tenth, one-twentieth and one-fortieth of a shilling, would be increased in value by one-fifth. The decimal penny would be of the same size and weight as the old one it replaces, but the decimal halfpenny and farthing would be 1 mm. larger than the old coins. While in circulation the old coins would be equivalent to ·08, ·04, and ·02. The farthing, being *dimidian* in character, is obviously antagonistic to the decimal series. But as it is a coin only used by the poorest classes, and the amount represented would seldom or never appear in accounts, this difficulty might be waived in favour of the issue of a decimal farthing, or two and a half centes, for circulation in the United Kingdom and Isle of Man. The new coin would be more convenient for the poor, by whom it would chiefly be used, than the decimal 2 centes,† which would be useless in circulation without a centes coin for change. And the issue of a number of small coins would not be looked upon with favour in this country.

For Guernsey, the "double," one-ninety-sixth s., would become one-hundredth s., and be ten to the penny instead of eight, thus becoming equivalent to the centes. The new coin would be practically equivalent to the present "double." For Cyprus, the piastre, which is the unit coin, is equivalent to one-ninth s. It would now become one-tenth s., and thus be equivalent to the penny and the anna. This coin must not be confused with the

* Nickel as a metal is to be preferred to aluminium, which is injuriously affected by contact with solutions of soda, and scalloping is preferable to perforation, which interferes with the impressions on the faces of the coins. The equivalent coins of the decimal series to replace those coins in Nigeria and East Africa and Uganda at present perforated would also be perforated.

† The name *centes* (singular and plural from the Latin *centesimus* = a hundredth) is adopted for the decimal fraction, to distinguish from the *centime* of the Latin Union and from the *cent* of the dollar-using countries, which are of different values.

Egyptian coin of the same name = $2\frac{1}{2}d.$ For British India and countries where the "rupee" circulates, that name might be retained for the shilling, the word "decimal" distinguishing it from the old coin until such time as the change was thoroughly established, after which it might be dropped. The rupee has had a fluctuating career—from 2s. to 1s. $2\frac{1}{2}d.$ —and is now rated at 1s. $4d.$, so that a further change in its value would not be unprecedented; and making it the equivalent of the Imperial shilling would be an undoubted advantage. The anna and half anna, equivalent to the penny and halfpenny, would undergo similar change in value, and so retain their equivalency. The anna is a scalloped nickel coin, and there would be no object in altering it. Any cost attached to the change in the Indian Currency might be borne by the Gold Standard Reserve, now invested in British securities.

The special characteristics pertaining to certain coins, such as those of the Islands of Man and Jersey, of Nigeria, East Africa and Uganda—where the penny and its fractions are perforated—would be retained. Some also would have special impressions for identification purposes, as shown in the Currency Table.

TABLE OF EQUIVALENTS.

<i>Imperial</i> :	10 centes (c)	} 1 penny; 10 pence	} = 1 shilling; 20 shillings	} = $\begin{cases} 1 \\ \text{sovereign.} \end{cases}$
<i>Guernsey</i> :	10 doubles (d)			
<i>Cyprus</i> :	10 centes = 1 piastre; 10 piastres			
<i>India</i> :	10 centes = 1 anna; 10 annas = 1 (decimal) rupee; 20 rupees			

COIN EQUIVALENTS (U. K.)

Farthings.	Ha'pence.	Pence.	Nickels.	$\frac{1}{2}$ Shillings.	Shillings.	Florins.	Royals.	Sovereigns.
2 =	1							
4 =	2 =	1						
8 =	4 =	2 =	1					
20 =	10 =	5 =	$2\frac{1}{2}$ =	1				
40 =	20 =	10 =	5 =	2 =	1			
80 =	40 =	20 =	10 =	4 =	2 =	1		
400 =	200 =	100 =	50 =	20 =	10 =	5 =	1	
800 =	400 =	200 =	100 =	40 =	20 =	10 =	2 =	1

FOREIGN EQUIVALENTS OF THE SHILLING.

Dollar (U.S.A.)	$4\cdot10$	Krona (Denmark, Norway, Sweden)	$1\cdot12$
Franc (Latin Union)	$0\cdot78$	Rouble (Russia)	$2\cdot10$
Mark (Germany).	$0\cdot96$	Yen (Japan)	$2\cdot04$
Krone (Austria-Hungary)	$0\cdot82$	Yuan (China).	$2\cdot00$

Articles now sold at per dozen and per gross would be sold at per ten and per hundred. As a dozen articles at 24s. is equivalent

to one at 24*d.* (old notation) so ten at 24*s.* (*s.* 24·00) would be equivalent to one at 24 decimal pence (*s.* 2·40). And as the reduction in the price of ten articles to one can be arrived at by moving the decimal point one place to the left, so multiplication can be effected in the same simple manner, by moving the point to the right, thus: ten at 24·00 is equivalent to a hundred at 240·00, and a thousand at 2400·00. And, as has been previously explained, *s.* 2400·00 can be seen at once (by separating the figures to the left of the unit figure of the integer) to be equivalent to 240 royals or 120 pounds.

Penny fares by rail and omnibus would need revision, and a larger number of halfpenny omnibus fares instituted. The tariffs of the various Government departments would require to be converted into decimals, which would easily be done by observing the following rule: 3*d.*, 6*d.*, and 9*d.*, to be reckoned as $\frac{1}{4}$, $\frac{1}{2}$, and $\frac{3}{4}$ shilling—25, 50 and 75, and fractions of 3*d.* as ·08 to the penny. Weights would be taken as follows: 1 oz., 30 grams; 1 lb., 500 grams; 1 cwt., 50 kilos; and 1 ton, 1,000 kilos (1 metric ton). Thus: the duty on a pack of cards would be ·25, while that on saccharin, 7*d.* per oz., would be ·58 per 30 gm.

The Post Office would require special treatment. Owing to the increase in the value of the penny and consequently in the price of stamps, 20 halfpenny and 10 penny stamps being now sold for a shilling, concessions in charges would have to be made in order to meet this increase. This would allow of certain commodities being sold at face value.

The following scheme for this purpose is suggested.

Postal Commodities.—Stamps—issued for every ·05 ($\frac{1}{2}$ *d.*) up to 1*s.*, and above that amount, as at present.

Letter cards.—Impressed with a ·05 stamp and sold at $\frac{1}{4}$ *d.* each, or two for ·15 ($1\frac{1}{2}$ *d.*), and in packets of 10 for ·75.

Post-cards, newspaper wrappers and embossed envelopes could be sold at face value, the increase in the value of the $\frac{1}{4}$ *d.* and 1*d.* paying the cost of paper. Embossed registered envelopes would be sold at face value, plus the registration fee.

Postal orders: ·05 up to 1*s.*, and ·10 from 10*s.* to 21*s.*

Money orders: under £1, ·15; £3, ·25; £10, ·35; £20, ·50; £30, ·65; and £40, ·80 (8*d.*).

Inland Postal Charges.—Letters: not exceeding 5 grams, ·05; 150, ·10. For each additional 50, ·05.

Printed circulars: ·05 for 100 grams ($3\frac{1}{2}$ oz.).

Newspapers: ·05 each.

Parcels Post:—

Under 500 gm. (1 lb.)	·25	Under 4000 gm. (8 lb.)	·55
„ 1000 „ (2 lb.)	·30	„ 4500 „ (9 lb.)	·65
„ 1500 „ (3 lb.)	·35	„ 5000 „ (10 lb.)	·75
„ 2500 „ (5 lb.)	·40	„ 5500 „ (11 lb.)	·85
„ 3500 „ (7 lb.)	·45		

Telegrams.—15 words for $\cdot 50$ (5*d.*), and $\cdot 05$ for every two additional words up to 6, after which $\cdot 05$ for every additional word.

The following clauses are suggested for embodiment in the necessary Parliamentary Bill. The Act could be arranged to come into force on April 1st of any year, i.e., at the commencement of the financial year of the Inland Revenue, and would apply to the United Kingdom and Crown Colonies. The self-governing Colonies of Newfoundland, the Dominions of Canada and New Zealand, the Commonwealth of Australia, and the Union of South Africa, would, it may be presumed, adopt the same system.

SUGGESTED NEW CURRENCY BILL AND SCHEDULE.

1. Notwithstanding anything in any previously existing statute the *shilling* shall be the acting unit of value and chief coin of account. And accounts shall be kept and rendered in decimals with the *shilling* as integer, showing tenths and hundredths of the same. And accounts kept or rendered in any other manner shall be null and void.

2. The *shilling*, hitherto consisting of 12 pence of 4 farthings shall now consist of 100 centes, ten of which shall represent a *penny*, in British India an *anna*, and in Cyprus a *piastre*. In Guernsey the "centes" shall have the alternative name of "double."

3. Coins representing decimal fractions of a shilling will be issued and circulated as shown in Schedule I. attached to this enactment.

4. The 50 centes or half shilling shall be legal tender as are other silver coins; the nickel 20 centes shall be legal tender to 5*s.* and the bronze coins, as hitherto, to 1*s.*

5. Two special coins will be issued for colonial use, viz., a half centes one-twentieth penny and one-two-hundredth shilling, for circulation in Malta, British Honduras, the Straits Settlements, British North Borneo, Ceylon, East Africa and Uganda, and Hong Kong and Labuan. A one-tenth centes, one-hundredth penny and one-thousandth shilling, for circulation in Hong Kong and Labuan.

6. The various coins to be withdrawn from circulation are specified in Schedule II., and may be redeemed at a Post Office or bank at rates of exchange there indicated.

7. All Government and official tariffs of rates, taxes, duties, charges, salaries and wages shall be altered in accordance with these provisions and enactments.

SCHEDULE I.
CURRENCY TABLE.

	Guernsey.	Malta, British Honduras, East Africa and Uganda, Ceylon, Mauritius and Seychelles, Straits Settlements, British North Borneo, Hong Kong and Labuan, and Nigeria.	British India.	Cyprus.	Size in cm.	—	Decimals. s. (Pence) (Shillings) (Royals)
United Kingdom, Man, Jersey, British West Indies and British South America.							
<i>Gold</i> :—							
20s., sovereign	do.	do.	do.	do.	2.0	...	20.00
10s., royal	do.	do.	do.	do.	1.9	...	10.00
<i>Silver</i> :—							
5s., crown	do.	do.	do.	do.	...	...	5.00
2s., florin	do.	do.	do.	do.	2.8	...	2.00
SHILLING of 10d. or 100d.	SHILLING of 10d. or 100d.	SHILLING of 10d. or 100d.	RUPEE of 10 annas or 100c.	SHILLING of 10 piastres or 100c.	2.3	1	1.00
50 centes, ½s., ...	50 doubles, ½s. . . .	50 centes, ½s. . . .	50 centes, ½ rupee . .	50 centes, ½s. . . .	1.9	½	.50
<i>Nickel</i> (scalloped):—							
20 centes, twopence . .	20 doubles	20 centes	20 centes, 2 annas Anna, ⅙ rupee	20 centes, 2 piastres. .	2.4	⅓	.20
<i>Bronze</i> :—					2.0	⅙	.10
10 centes, penny	10 doubles, penny . . .	10 centes, penny. . . .	5 centes, ½ anna . . .	10 centes, piastre . . .	3.0	⅙	.10
5 centes, halfpenny . .	5 doubles, halfpenny : .	5 centes, halfpenny . .	2 centes, ¼ anna . . .	5 centes, ½ piastre . .	2.5	⅙	.05
2½ centes, farthing . .	2 doubles	2 centes, ¼ penny . . .	2 centes, ¼ anna . . .	2 centes, ¼ piastre . .	2.1	⅙	.025
	Double	Centes, ⅙ penny . . .	Centes, ⅙ anna . . .	Centes, ⅙ piastre . . .	1.9	⅙	.02
		* ½ centes, ⅙ penny . .			1.6	⅙	.01
		+ ⅙ centes, ⅙ penny . .			1.3	⅙	.005
		+ ⅙ centes, ⅙ penny . .			1.0	⅙	.001

+ For Hong Kong and Labuan only.

* This coin would not circulate in the Mauritius and Seychelles nor in Nigeria.

SCHEDULE II.

COINS TO BE WITHDRAWN, WITH EXCHANGE RATE, AND
CIRCULATING VALUE.

		Ex- change Rate.		Circu- lating Value.
		s.		s.
<i>United Kingdom, Man, Channel Islands, Malta, Brit. West Indies, Brit. South America, and Nigeria :</i>				
SILVER:	<i>Half-crown</i>	2.50	...	2.50
	<i>Groat (4d.)—Brit. Guiana</i>	1.00	...	...
	<i>Three penny piece</i>	.33	...	.33
		.25	...	.25
BRONZE:	<i>Penny (old notation)</i>	.50	$\left\{ \begin{array}{l} 1 \\ \frac{1}{2} \\ \frac{1}{4} \end{array} \right.$	$\left\{ \begin{array}{l} .08 \\ .04 \\ .02 \end{array} \right.$
	$\frac{1}{10}$ penny—Nigeria	.08	...	.008
	$\frac{1}{8}$ farthing—Malta	.04	...	.006
	<i>Double ($\frac{1}{8}$d.), 4, 8—Germany</i>	.50	$\left\{ \begin{array}{l} 8 \\ 4 \\ 1 \end{array} \right.$	$\left\{ \begin{array}{l} .08 \\ .04 \\ .01 \end{array} \right.$
<i>Other Crown Colonies :</i>				
<i>Rupee (1s. 4d.)—India, Ceylon, Mauritius) and Seychelles, East Africa and Uganda)</i>		1.33	...	1.33
<i>Anna (1d.), $\frac{1}{2}$, $\frac{1}{4}$, $\frac{1}{8}$, $\frac{1}{16}$—Brit. India, etc.</i>		.50	$\left\{ \begin{array}{l} \frac{1}{2} \\ \frac{1}{4} \\ \frac{1}{8} \\ \frac{1}{16} \end{array} \right.$	$\left\{ \begin{array}{l} .04 \\ .02 \\ .01 \\ .006 \end{array} \right.$
<i>Cents of Rupee—Ceylon, Mauritius and) Seychelles, East Africa and Uganda . . .)</i>		.06	$\left\{ \begin{array}{l} 1 \\ \frac{1}{2} \\ \frac{1}{4} \end{array} \right.$	$\left\{ \begin{array}{l} .017 \\ .008 \\ .003 \end{array} \right.$
<i>Dollar, Mexican (1s. 9d.)—Brit. Honduras, Hong Kong and Labuan)</i>		1.72	...	1.72
<i>Cents of ditto</i>		.08	1	.017
<i>$\frac{1}{10}$ cent. Hong Kong and Labuan</i>		.53	$\frac{1}{2}$	.008
<i>Dollar S. S. (2s. 4d.)—Straits Settlements and Brit. North Borneo)</i>		.08	...	.001
<i>Cents of ditto</i>		2.32	...	2.32
<i>Ten for</i>		.23	1	.23
<i>Aggreg. to $\frac{1}{2}$ \$</i>		.58	$\frac{1}{2}$	.11
<i>$\frac{1}{2}$ cent of Straits Settlements</i>		...	...	.005
<i>Piastre ($1\frac{1}{2}$d.), $\frac{1}{2}$ and $\frac{1}{4}$—Cyprus</i>		1.00	$\left\{ \begin{array}{l} 1 \\ \frac{1}{2} \\ \frac{1}{4} \end{array} \right.$	$\left\{ \begin{array}{l} .011 \\ .005 \\ .002 \end{array} \right.$

W. W. HARDWICKE.

INDIAN AND COLONIAL INVESTMENTS

By TRUSTEE

AFTER the troubles which it passed through during the preceding month, the Stock Exchange has enjoyed a period of convalescence, but not without signs of a relapse. The respite from further new issues during the earlier part of the month produced a strengthening effect, but the continuance of the Balkan trouble and the strike on the Rand were disturbing influences, and prices could make little headway under such conditions. On the other hand, the monetary position has improved, and there are hopes that unless anything untoward should happen the year may after all be got through with the Bank rate no higher than 5 per cent.

With the close of the month there has been a recrudescence of the flood of new issues. Several Canadian municipalities have been among the borrowers. Winnipeg has placed £690,000 of $4\frac{1}{2}$ per cent. stock through the Bank of Montreal at 97 per cent., the proceeds being required for the extension of the water supply, electrical works, schools and sundry necessary public works. This issue brings the city's total debt up to over £7,600,000. The rateable assessment for the current year is £53,305,381. The estimated population is 190,000.

Another municipality to make an issue was the City of Vancouver, which placed £510,000 of $4\frac{1}{2}$ per cent. stock at 95, for

INDIAN GOVERNMENT SECURITIES.

T'ile.	Present Amount.	When Redeem-able.	Price.	Yield.	Interest Payable.
INDIA.					
	£				
$3\frac{1}{2}$ % Stock (t) . . .	91,276,210	1931	87 $\frac{3}{4}$	$3\frac{1}{8}$	Quarterly.
$3\frac{1}{2}$ % " (t) . . .	66,480,596	1948	75 $\frac{3}{4}$	$3\frac{1}{8}$	"
$2\frac{3}{4}$ % " Inscribed (t)	11,892,207	1926	62 $\frac{1}{4}$	4	"
$3\frac{1}{2}$ % Rupee Paper 1854-5	..	(a)	95 $\frac{1}{4}$	$3\frac{5}{8}$	30 June—31 Dec.
$3\frac{1}{2}$ % " " 1896-7	..	1916	81	$3\frac{1}{4}$	30 June—30 Dec.

(t) Eligible for Trustee Investments.

(a) Redeemable at a Quarter's notice.

INDIAN RAILWAYS AND BANKS.

Title.	Subscribed.	Last year's Dividend.	Share or Stock.	Price.	Yield.
RAILWAYS.					
	£				
Assam—Bengal, L., guaranteed 3% . . .	1,500,000	3	100	71	4 ³ / ₁₅
Bengal and North-Western (Limited)	3,000,000	8	100	152 ¹ / ₂	5 ³ / ₆
Bengal Doocars, L.	400,000	5	100	101 ¹ / ₂	4 ³ / ₈
Bengal Nagpur (L), gtd. 4% + ¹ / ₄ th profits	3,000,000	5	100	114 ¹ / ₂	4 ³ / ₁₅
Burma Guar. 2 ¹ / ₂ % and propn. of profits	3,000,000	4 ³ / ₂	100	107	4 ³ / ₁₅
Delhi Umballa Kalka, L., guar. 3 ¹ / ₂ % + net earnings	800,000	9 ¹ / ₂	100	188 ¹ / ₂	5
East Indian Def. ann. cap. g. 4% + ¹ / ₂ sur. profits	1,736,921	6 ² / ₁₀	100	100 ¹ / ₂	6 ³ / ₈
Do. do, class "D," repayable 1953 (t) . . .	4,813,078	5 ⁷ / ₈	100	120 ¹ / ₂	4 ⁷ / ₈
Do. 4 ¹ / ₂ % perpet. deb. stock (t)	1,435,650	4 ¹ / ₂	100	110	4 ¹ / ₈
Do. new 3% deb. red. (t)	8,000,000	3	100	73	4 ¹ / ₈
Great Indian Peninsula 4% deb. Stock (t)	2,701,450	4	100	98 ¹ / ₂	4 ¹ / ₈
Do. 3% Gua. and ¹ / ₂ surp. profits 1925 (t)	2,575,000	4 ³ / ₈	100	95 ³ / ₂ x	4 ¹ / ₈
Madras and South Mahratta	5,000,000	5	100	107 ¹ / ₂	4 ³ / ₈
Nizam's State Rail. Gtd. 5% Stock . . .	2,000,000	5	100	102	4 ³ / ₈
Do. 3 ¹ / ₂ % red. mort. debts.	1,063,300	3 ¹ / ₂	100	76	4 ³ / ₈
Rohilkund and Kumaon, Limited	400,000	7 ¹ / ₂	100	152 ¹ / ₂	4 ³ / ₈
South Behar, Limited	379,580	5	100	101x	4 ¹ / ₈
South Indian 4 ¹ / ₂ % per. deb. stock, gtd.	425,000	4 ¹ / ₂	100	109	4 ¹ / ₂
Southern Punjab, Limited	1,000,000	8 ¹ / ₂	100	165 ¹ / ₂	5 ³ / ₈
Do. 3 ¹ / ₂ % deb. stock red.	500,000	3 ¹ / ₂	100	82	4 ¹ / ₂
West of India Portuguese Guar. L. . . .	800,000	5	100	86x	5 ¹ / ₈
Do. 5% debenture stock	550,000	5	100	99x	5
BANKS.					
	Number of Shares.				
Chartered Bank of India, Australia, and China	60,000	14	20	59	4 ¹ / ₈
National Bank of India	80,000	12	12 ¹ / ₂	38	3 ¹ / ₈

(t) Eligible for Trustee investments.

(x) Ex dividend.

schools, sewers and waterworks. With this issue the city's total debt amounts to just about £5,000,000, while the total assessable property amounts to £38,414,578. The value of municipal assets, including real property and waterworks, is £6,800,000. The new stock is repayable on February 1, 1953.

Some criticism was aroused by the form in which the Grand Trunk Railway made its latest issue, which consisted of £1,500,000 of five-year 5 per cent. Secured Notes offered at 98. The directors are doubtless of the opinion that it will be possible to replace these notes later by a more permanent form of security on more favourable terms than can be obtained in the present state of the market. In any case, the issue was evidently attractive to the market, being immediately over-subscribed. Debenture stock to the amount of £2,000,000 is deposited with trustees as security for the notes, and, of course, the big revenues of the company provide ample margin for the due payment of the principal and interest.

In its last monthly revenue statement, the Grand Trunk

CANADIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Regd. Stock . .	28,162,776	1930-50†	93	3½ ³ / ₈	1 Jan.—1 July.
PROVINCIAL.					
ALBERTA.					
4% Debs.	411,000	1938	94	4 ⁷ / ₈	1 June—1 Dec.
BRITISH COLUMBIA.					
3% Inscribed Stock .	2,045,760	1941	80	4½	1 Jan.—1 July.
MANITOBA.					
4% Regd. Stock . .	1,915,000	1950	94	4 ⁵ / ₈	1 May—1 Nov.
NEW BRUNSWICK.					
4% Regd. Stock . .	450,000	1949	95	4½	1 Jan.—1 July.
NOVA SCOTIA.					
3½% Stock	650,000	1954	83	4½	1 Jan.—1 July.
ONTARIO					
3½% Regd. Stock . .	1,200,000	1946	87	4 ³ / ₈	1 Jan.—1 July.
QUEBEC.					
3% Inscribed . . .	1,897,820	1937	79	4 ⁷ / ₈	1 Apr.—1 Oct.
SASKATCHEWAN.					
4% Regd. Stock . .	1,000,000	1951	93	4½	1 Jan.—1 July.
MUNICIPAL.					
Calgary 4½% Debs. .	1,920,900	1930-42*	92	5 ³ / ₈	1 Jan.—1 July.
Edmonton 4½% Debs.	641,400	1918-51*	93	4½ ³ / ₈	1 Jan.—1 July.
Hamilton (City of) 4%	482,800	1934	90	4½ ³ / ₈	1 Apr.—1 Oct.
Montreal 4%	2,400,000	1948-50	95	4½	1 May—1 Nov.
Quebec 4% Debs. . .	385,000	1923	96	4½	1 Jan.—1 July.
Regina 4½% Debs. .	382,500	1925-52*	92	5	1 Jan.—1 July.
Toronto 4% Bonds .	300,910	1922-28*	94	4 ⁷ / ₈	1 Jan.—1 July.
Vancouver 4% Bonds	121,200	1931	92	4½	1 Apr.—1 Oct.
Winnipeg 4% Regd. .	2,500,000	1940	95	4½	1 Apr.—1 Oct.

* Yield calculated on latest date.

Company indicated that it had again put the bulk of the increased receipts into the line, the increase of £125,400 in gross receipts being accompanied by a growth of £114,450 in expenditure, leaving a net increase of only £10,950. For the first five months of the year the aggregate increase in receipts is £593,400, while the expenses increased by £520,650, leaving a growth of £72,750 in net revenue. To pay 1 per cent. per annum on the Third Preference Stock for the half-year requires £36,000, so that it would seem that with the June net revenue, whatever it may be, the directors will have sufficient in hand to declare something for the half-year on that stock if they think fit. It is quite likely,

CANADIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up per Share.	Price.	Yield.
RAILWAYS.					
Canadian Pacific Shares . .	2,000,000	10	\$100	222	4 $\frac{1}{2}$
Do. 4% Preference . . .	£14,428,082	4	Stock	95	4 $\frac{3}{8}$
Do. 4% Cons. Deb. Stock . .	£30,959,230	4	"	97 $\frac{1}{2}$	4 $\frac{1}{8}$
Grand Trunk Ordinary . . .	£22,475,993	nil.	"	23 $\frac{3}{8}$	nil.
Do. 5% 1st Preference . . .	£3,420,000	5	"	103	4 $\frac{1}{2}$
Do. 5% 2nd " . . .	£2,530,000	5	"	97	5 $\frac{1}{2}$
Do. 4% 3rd " . . .	£7,168,055	2 $\frac{1}{2}$	"	55 $\frac{1}{2}$	4 $\frac{1}{2}$
Do. 4% Guaranteed . . .	£12,215,555	4	"	84	4 $\frac{1}{2}$
Do. 5% Perp. Deb. Stock . .	£4,270,375	5	"	114	4 $\frac{3}{8}$
Do. 4% Cons. Deb. Stock . .	£22,222,442	4	"	91	4 $\frac{3}{8}$
BANKS AND COMPANIES.					
Bank of Montreal	160,000	12	\$100	246	5
Bank of British North America	20,000	8	50	75	5 $\frac{5}{8}$
Canadian Bank of Commerce .	200,000	11	\$50	21	5 $\frac{7}{8}$
Canada Company	8,319	54s. per sh.	1	22 $\frac{1}{2}$	12
Hudson's Bay	1,000,000	40	1	112	3 $\frac{3}{8}$
Trust and Loan of Canada .	100,000	8	5	6 $\frac{1}{2}$	6 $\frac{3}{8}$
Do. new	25,000	8	3	3 $\frac{1}{2}$	7 $\frac{3}{8}$
British Columbia Elec- (Def.	£1,200,000	8	Stock	123 $\frac{1}{2}$	6 $\frac{7}{8}$
tric Railway . . .) Prefd.	£1,200,000	6	Stock	112 $\frac{1}{2}$	5 $\frac{5}{8}$

(x) Ex dividend.

NEWFOUNDLAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3 $\frac{1}{2}$ % Sterling Bonds .	2,178,800	1941-7-8*	84	4 $\frac{3}{8}$	} 1 Jan.—1 July.
8% Sterling " .	325,000	1947	74	4 $\frac{1}{2}$	
4% Inscribed Stock .	320,000	1913-38*	99	4 $\frac{1}{8}$	
4% " " .	427,881	1935	99	4 $\frac{1}{8}$	
4% Cons. Ins. " .	200,000	1936	98	4 $\frac{3}{8}$	
3 $\frac{1}{2}$ % Inscribed, 1910 .	800,000	1950	90	4	

* Yield calculated on latest date.

however, that they will decide to defer, as usual, any distribution until the close of the full financial year.

In the case of the Canadian Pacific there was an increase of \$544,000 in gross receipts during May, accompanied by an increase of \$720,000 in working expenses. Thus the net revenue showed a decrease of \$176,000. But for the eleven months of the financial year ended June 30,—the return for the last month is not yet issued—there is an increase of \$3,166,000 in net revenue, so that the company will be able to increase its huge undivided surplus while still maintaining its 10 per cent. rate of dividend.

An issue has been made also by the other great Canadian

railway system, Canadian Northern Pacific Railway $4\frac{1}{2}$ per cent. First Mortgage Terminal Debenture stock to the amount of £800,000 being offered at 95. The stock enjoys the unconditional Guarantee of the British Columbian Government as to both principal and interest, and is therefore a sound investment.

South Australia's postponed issue was made towards the end of the month, but only a quarter of it was subscribed by the general public, the rest going to the underwriters. The issue consisted of £1,000,000 of 4 per cent. stock offered at 97 per cent, the proceeds being required for new railways, additional railway accommodation, harbour improvements, waterworks and so on. The stock is, of course, a full trustee investment and is redeemable in 1960 at the latest.

At the half-yearly meeting of the Commercial Banking Company of Sydney a dividend at the rate of 10 per cent. per

AUSTRALIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
NEW SOUTH WALES.					
4% Inscribed Stock (t)	9,685,800	1933	101	3 $\frac{7}{8}$	} 1 Jan.—1 July 1 Apr.—1 Oct.
3 $\frac{1}{2}$ % " " (t)	16,464,545	1924	94	4 $\frac{1}{2}$	
3 $\frac{3}{8}$ % " " (t)	12,475,800	1935	82	4 $\frac{5}{16}$	
VICTORIA.					
4% Inscribed, 1885 .	5,970,000	1920	99	4 $\frac{1}{2}$	} 1 Jan.—1 July.
3 $\frac{1}{2}$ % " 1889 (t)	4,987,250	1921-6*	92	4 $\frac{1}{8}$	
3 $\frac{3}{8}$ % " (t) . .	5,211,331	1929-49†	77	4 $\frac{1}{2}$	
QUEENSLAND.					
4% Inscribed Stock (t)	7,939,000	1924	100	4	} 1 Jan.—1 July.
3 $\frac{1}{2}$ % " " (t)	4,834,334	1921-24†	93	4 $\frac{5}{16}$	
3 $\frac{3}{8}$ % " " (t)	4,274,213	1922-47†	77	4 $\frac{5}{16}$	
SOUTH AUSTRALIA.					
4% Bonds	1,359,300	1916	99	4 $\frac{1}{8}$	} 1 Apr.—1 Oct.
4% Inscribed Stock .	6,281,500	1916-7-36*	99	4 $\frac{1}{8}$	
3 $\frac{1}{2}$ % " " (t)	2,517,800	1939	89	4 $\frac{3}{8}$	
3 $\frac{3}{8}$ % " " (t)	839,500	1916-26†	87	3 $\frac{7}{8}$	} 1 Jan.—1 July.
3% " " (t)	2,760,100	1916 † or after.	73	4 $\frac{1}{16}$	
WESTERN AUSTRALIA.					
3 $\frac{1}{2}$ % Inscribed (t) . .	3,780,000	1920-35†	88	4 $\frac{3}{8}$	} 1 May—1 Nov. 15 Jan.—15 July.
3 $\frac{3}{8}$ % " (t) . .	3,750,000	1915-35†	80	3 $\frac{3}{8}$	
3% " (t) . .	2,500,000	1927†	86	3 $\frac{7}{16}$	
TASMANIA.					
3 $\frac{1}{2}$ % Inscbd. Stock (t)	4,156,500	1920-40*	88	5 $\frac{5}{8}$	} 1 Jan.—1 July.
4% " " . .	1,000,000	1920-40*	101	3 $\frac{3}{8}$	
3% (t)	450,000	1920-40†	81	4 $\frac{3}{16}$	

* Yield calculated on earlier date of redemption.

† Yield calculated on later date of redemption, though a portion of the loan may be redeemed earlier.

‡ No allowance for redemption.

(t) Eligible for Trustee Investment.

AUSTRALIAN MUNICIPAL AND OTHER BONDS.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Melbourne & Met. Bd. of Works 4% Debs. }	1,000,000	1921	95	4 $\frac{1}{8}$	1 Apl.—1 Oct.
Do. City 4% Deb.	850,000	1915-22*	98	5 $\frac{1}{8}$	
Melbourne Trams Trust 4 $\frac{1}{2}$ % Debs. }	1,650,000	1914-16*	100	4 $\frac{1}{2}$	1 Jan.—1 July.
S. Melbourne 4 $\frac{1}{2}$ % Debs.	128,700	1919	98	4 $\frac{1}{2}$	
Sydney 4% Debs.	800,000	1919	97	4 $\frac{1}{8}$	1 Jan.—1 July.

* Yield calculated on earlier date of redemption.

AUSTRALIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Emu Bay and Mount Bischoff	12,000	% 5	5	5 $\frac{1}{2}$	4 $\frac{1}{2}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock	£130,900	4 $\frac{1}{2}$	100	94	4 $\frac{1}{2}$
BANKS AND COMPANIES.					
Bank of Australasia	40,000	17	40	116	5 $\frac{1}{8}$
Bank of New South Wales	125,000	10	20	88	5 $\frac{1}{8}$
Union Bank of Australia £75	60,000	14	25	53	6 $\frac{1}{8}$
Do. 4% Inscribed Stock Deposits	£600,000	4	100	99	4
Australian Merc. Land & Finance £25	80,000	12 $\frac{1}{2}$	5	7	8 $\frac{7}{8}$
Do. 4% Perp. Deb. Stock	£1,900,000	4	100	90	4 $\frac{7}{8}$
Dalgety & Co. £20	154,000	8	5	6 $\frac{1}{2}$	6 $\frac{1}{8}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock	£511,037	4 $\frac{1}{2}$	100	100	4 $\frac{1}{2}$
Goldsbrough Mort & Co. 4% A Deb. } Stock Reduced }	£998,530	4	100	81 $\frac{1}{2}$	4 $\frac{7}{8}$
Do. B Income Reduced	£669,643	5	100	93 $\frac{1}{2}$	5 $\frac{5}{8}$
South Australian Company £15	14,200	£3 $\frac{1}{2}$	£15	52 $\frac{1}{2}$	6 $\frac{1}{8}$
Trust & Agency of Australasia	54,979	7 $\frac{1}{2}$	1	1 $\frac{1}{8}$	6 $\frac{1}{8}$
Do. 5% Cum. Pref.	100,000	5	10	94	5 $\frac{1}{8}$

NEW ZEALAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
5% Bonds	266,300	1914	100x	5	15 Jan.—15 July.
4% Inscribed Stock (t)	29,295,302	1929	100	4	1 May—1 Nov.
3 $\frac{1}{2}$ % Stock (t)	17,528,932	1940	90	4 $\frac{1}{2}$	1 Jan.—1 July.
3% Inscribed Stock (t)	9,659,980	1945	77	4 $\frac{3}{8}$	1 Apr.—1 Oct.

(t) Eligible for Trustee investments.

(x) Ex dividend.

annum has been declared with £56,987 carried forward. A sum of £50,000 was added to the reserve fund, bringing it up to £1,630,000. The capital of the bank is being increased by £250,000.

NEW ZEALAND MUNICIPAL AND OTHER SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Auckland 5% Deb. . .	200,000	1934-8*	105	4 $\frac{9}{16}$	1 Jan.—1 July.
Do. Hbr. Bd. 5% Debs.	150,000	1917	101	5	10 April—10 Oct.
Bank of N. Z. shares†	150,000	div. 15%	10 $\frac{1}{2}$	4 $\frac{3}{4}$	—
Do. 4% Gua. Stock†	£1,000,000	1914	99	4 $\frac{1}{4}$	April—Oct.
Christchurch 6% Drainage Loan. }	200,000	1926	111 $\frac{1}{2}$	4 $\frac{3}{4}$	30 June—31 Dec.
Lyttleton Hbr. Bd. 6% }	200,000	1929	109 $\frac{1}{2}$	5 $\frac{1}{16}$	} 1 Jan.—1 July.
Napier Hbr. Bd. 5% Debs. }	300,000	1920	101	4 $\frac{1}{8}$	
Do. 5% Debs. . . . }	200,000	1928	101	4 $\frac{1}{8}$	
National Bank of N.Z. £7 $\frac{1}{2}$ Shares £2 $\frac{1}{2}$ paid	200,000	div. 13%	4 $\frac{1}{2}$	6 $\frac{3}{8}$	Jan.—July.
Oamaru 5% Bds. . .	173,800	1920	98	5 $\frac{5}{16}$	1 Jan.—1 July.
Otago Hbr. Cons. Bds. 5% }	443,100	1934	102	4 $\frac{1}{8}$	1 Jan.—1 July.
Wellington 6% Impts. Loan }	100,000	1914-29	104 $\frac{1}{2}$	—	1 Mar.—1 Sept.
Do. 6% Waterworks .	130,000	1929	116 $\frac{1}{2}$	4 $\frac{5}{8}$	1 Mar.—1 Sept.
Do. 4 $\frac{1}{2}$ % Debs. . .	165,000	1933	99	4 $\frac{9}{16}$	1 May—1 Nov.
Westport Hbr. 4% Debs. }	150,000	1925	98	4 $\frac{5}{16}$	1 Mar.—1 Sept.

* Yield calculated on earlier date of redemption.

† £6 13s. 4d. Shares with £3 6s. 8d. paid up.

‡ Guaranteed by New Zealand Government.

SOUTH AFRICAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
CAPE COLONY.					
4 $\frac{1}{2}$ % Bonds	£ 261,400	dwgs.	101	4 $\frac{1}{2}$	15 Apr.—15 Oct.
4 $\frac{3}{8}$ % 1883 Inscribed .	3,670,995	1923	101	3 $\frac{1}{8}$	1 June—1 Dec.
4% 1886 "	9,860,466	1916-36*	100	4 $\frac{1}{8}$	15 Apr.—15 Oct.
3 $\frac{1}{2}$ % 1886 " (t) . .	14,891,244	1929-49†	88	4 $\frac{1}{8}$	1 Jan.—1 July.
3 $\frac{3}{8}$ % 1896 " (t) . .	7,483,240	1933-43†	78	4 $\frac{7}{16}$	1 Feb.—1 Aug.
NATAL.					
4 $\frac{1}{2}$ % Bonds, 1876 . .	753,700	1919	101	4 $\frac{9}{16}$	15 Mar.—15 Sep.
4% Inscribed (t) . .	3,026,444	1937	101	3 $\frac{1}{8}$	Apr.—Oct.
3 $\frac{1}{2}$ % " (t)	3,714,917	1914-39†	87	4 $\frac{5}{16}$	1 June—1 Dec.
3 $\frac{3}{8}$ % " (t)	6,000,000	1929-49†	78	4 $\frac{3}{16}$	1 Jan.—1 July.
TRANSVAAL.					
3% Guartd. Stock (t) .	35,000,000	1923-53†	87	3 $\frac{5}{8}$	1 May—1 Nov.

* Yield calculated on earlier date of redemption.

† Yield calculated on later date of redemption.

(t) Eligible for Trustee investments.

In its latest report the Bank of New South Wales announces that the net profits for the half-year, after deducting rebate on current bills, interest on deposits, paying note and other taxes, reducing valuation of bank premises, providing for bad and doubt-

SOUTH AFRICAN MUNICIPAL SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
	£				
Bloemfontein 4%	763,000	1954	93	4 $\frac{3}{8}$	1 Jan.—1 July.
Cape Town 4%	1,852,650	1953	95	4 $\frac{1}{2}$	1 Jan.—1 July.
Durban 4%	850,000	1951-3	94	4 $\frac{1}{8}$	30 June—31 Dec.
Johannesburg 4%	5,500,000	1933-4	93	4 $\frac{1}{8}$	1 April—1 Oct.
Krugersdorp 4%	100,000	1930	92	4 $\frac{1}{2}$	1 June—1 Dec.
Pietermaritzburg 4%	825,000	1949-53	92	4 $\frac{7}{8}$	30 June—31 Dec.
Port Elizabeth 4%	369,468	1964	93	4 $\frac{1}{8}$	30 June—31 Dec.
Pretoria 4%	1,250,000	1939	94	4 $\frac{3}{8}$	1 Jan.—1 July.
Rand Water Board 4%	3,400,000	1935	93	4 $\frac{1}{2}$	1 Jan.—1 July.

SOUTH AFRICAN RAILWAYS, BANKS, AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Mashonaland 5% Debs.	£2,500,000	5	100	88 $\frac{1}{2}$	5 $\frac{5}{8}$
Rhodesia Rylys. 5% 1st Mort. Debs. } guar. by B.S.A. Co. till 1915. . . }	£1,931,800	5	100	98	5 $\frac{1}{8}$
Trans-African 5% Debs. Red. . . .	£1,845,300	5	100	82	6 $\frac{1}{8}$
BANKS AND COMPANIES.					
African Banking Corporation £10 shares	80,000	7	5	6	51 $\frac{3}{8}$
Natal Bank £10	148,232	8	2 $\frac{1}{2}$	2 $\frac{3}{4}$ x	7 $\frac{1}{2}$
National Bank of S. Africa £10 . . .	131,690	6	10	11 $\frac{1}{2}$	5 $\frac{3}{8}$
Standard Bank of S. Africa £20 . . .	309,705	13	£5	11 $\frac{1}{2}$	5 $\frac{5}{8}$
Ohlsson's Cape Breweries	60,000	7	5	5 $\frac{1}{2}$	6 $\frac{3}{8}$
South African Breweries	965,279	17 $\frac{1}{2}$	1	1 $\frac{1}{2}$ x	9
British South Africa (Chartered) . . .	8,937,559	nil	1	1 $\frac{1}{2}$	nil
Do. 5% Debs. Red.	£1,250,000	5	100	105	4 $\frac{3}{4}$
Natal Land and Colonization	68,066	6 $\frac{1}{2}$	5	3 $\frac{3}{4}$	8 $\frac{3}{8}$
Cape Town & District Gas Light & Coke	10,000	nil	10	2 $\frac{1}{2}$	—
Kimberley Waterworks £10	45,000	5	7	6	51 $\frac{3}{8}$

(x) Ex dividend.

ful debts and fluctuation in the value of investment securities, and including recoveries from debts previously written off as bad, amount to £285,746, to which is to be added undivided balance from last half-year, £84,838, giving for distribution £370,584. The directors recommend a dividend at the rate of 10 per cent. per annum; interest at 5 per cent. on capital paid in advance, £1,742; augmentation of the reserve fund, £100,000; officers' provident fund, £10,000; Buckland fund, £15,000; leaving £87,503 to be carried forward.

The labour trouble on the Rand is a serious matter not only for the South African gold and other industries in particular but

also for the international money markets, because it curtails the supply of new gold at a time when it is most needed. Even the June return of gold from the Transvaal, although the trouble was then only beginning, shows some adverse effect, the total production for the month being short of that of a year ago. The following statement gives the returns month by month for several years past:

Month.	1913.	1912.	1911.	1910.	1909.	1908.
	£	£	£	£	£	£
January . .	3,353,116	3,130,830	2,765,386	2,554,451	2,612,836	2,380,124
February . .	3,118,352	2,989,832	2,594,634	2,445,088	2,400,892	2,301,971
March . . .	3,358,050	3,528,688	2,871,740	2,578,877	2,580,498	2,442,022
April . . .	3,334,358	3,133,383	2,836,267	2,629,535	2,578,804	2,403,500
May	3,373,998	3,311,794	2,913,734	2,693,785	2,652,699	2,472,143
June	3,173,382	3,202,517	2,907,854	2,655,602	2,621,818	2,442,329
July	—	3,255,198	3,012,738	2,713,033	2,636,965	2,482,608
August . . .	—	3,248,395	3,030,360	2,757,919	2,597,646	2,496,869
September .	—	3,176,846	2,976,065	2,747,853	2,575,760	2,496,112
October . . .	—	3,265,150	3,010,130	2,774,390	2,558,902	2,624,012
November . .	—	3,216,965	3,057,213	2,729,554	2,539,146	2,609,685
December . .	—	3,297,962	3,015,499	2,722,775	2,569,822	2,806,235
Total * . .	19,711,256	38,757,560	34,991,620	32,002,912	30,925,788	29,957,610

* Including undeclared amounts omitted from the monthly returns.

There was a considerable decline, too, in the native labour supply as will be seen from the following table giving the returns for gold mines month by month for this year and last.

Month.	Net Gain on Month.	Natives Employed end of Month.	Month.	Net Gain on Month.	Natives Employed end of Month.
January 1912 .	5,764	184,046	January 1913 .	8,774	200,090
February „ .	6,274	190,320	February „ .	7,572	207,662
March „ . .	6,428	196,748	March „ . .	71	207,783
April „ . .	1,189	197,937	April „ . .	2,309*	205,424
May „ . . .	4,108*	193,829	May „ . . .	7,780*	197,644
June „ . . .	5,335*	188,494	June „ . . .	8,550*	188,094
July „ . . .	5,569*	182,925	—	—	—
August „ . .	3,814*	179,111	—	—	—
September „	1,628	180,739	—	—	—
October „ .	1,319	182,058	—	—	—
November „	4,823	186,881	—	—	—
December „	4,435	191,316	—	—	—

* Net loss.

Rhodesia's gold output for June was less than that for May, but the decline was more than accounted for by the difference in the length of the months, and the return considerably exceeds that for the corresponding month of last year, as will be seen from the following table giving the returns month by month for several years past:

Month.	1913.	1912.	1911.	1910.	1909.	1908.
	£	£	£	£	£	£
January . . .	220,776	214,918	207,908	227,511	204,666	199,880
February . . .	208,744	209,744	203,055	203,888	192,497	191,635
March . . .	257,797	215,102	231,947	228,385	202,157	200,615
April . . .	241,098	221,476	221,296	228,213	222,700	212,935
May . . .	242,452	234,407	211,413	224,888	225,032	223,867
June . . .	241,303	226,867	215,347	214,709	217,600	224,920
July . . .	—	240,514	237,517	195,233	225,234	228,151
August . . .	—	239,077	243,712	191,423	223,296	220,792
September . . .	—	230,573	225,777	179,950	213,249	204,262
October . . .	—	230,072	218,862	234,928	222,653	205,466
November . . .	—	225,957	214,040	240,573	236,307	196,668
December . . .	—	218,661	217,026	199,500	233,397	217,316
Total . . .	1,412,170	2,707,368	2,647,895	2,569,201	2,623,788	2,526,007

The other minerals produced from Southern Rhodesia during June comprised 12,789 ounces of silver, 31 tons of lead, 19,844 tons of coal, 2,544 tons of chrome ore, and 49 carats of diamonds.

CROWN COLONY SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Barbadoes 3½% ins. (t)	375,000	1925-42†	92	4	1 Mar.—1 Sep.
Brit. Guiana 3% ins. (t)	250,000	1923-45†	80	4½ ³ / ₈	1 Feb.—1 Aug.
Ceylon 4% ins. (t). .	1,076,100	1934	100x	4	15 Feb.—15 Aug.
Do. 3% ins. (t). . .	2,850,000	1940	80	4½ ⁵ / ₈	1 May—1 Nov.
Hong-Kong 3½% ins. (t)	1,485,733	1918-43†	91	4	15 Apr.—15 Oct.
Jamaica 4% ins. (t) .	1,099,048	1934	99x	4½ ¹ / ₈	15 Feb.—15 Aug.
Do. 3½% ins. (t) . .	1,493,600	1919-49†	88	4½ ³ / ₈	24 Jan.—24 July.
Mauritius 3% guar. }					
Great Britain (t) }	600,000	1940	87	3½	1 Jan.—1 July.
Do. 4% ins. (t). . .	482,390	1937	99	4½ ¹ / ₈	1 Feb.—1 Aug.
Sierra Leone 3½% ins. (t)	729,848	1929-54†	91	3½ ⁵ / ₈	1 June—1 Dec.
Trinidad 4% ins. . .	422,593	1917-42*	100	4½	15 Mar.—15 Sep.
Do. 3% ins. (t). . .	600,000	1922-44†	80	4½ ³ / ₈	15 Jan.—15 July.
Hong-Kong & Shang- hai Bank Shares }	120,000	Div. £4½	£81	5½ ¹ / ₈	Feb.—Aug.

* Yield calculated on shorter period.
(t) Eligible for Trustee investments.

† Yield calculated on longer period.
(x) Ex dividend.

EGYPTIAN SECURITIES.

Title.	Amount or Number of Shares.	Dividend for last Year.	Paid up.	Price.	Yield.
Egyptian Govt. Guaranteed Loan (t) .	£7,159,300	3	99	89	3½ ⁵ / ₈
„ Unified Debt	£55,971,960	4	100	98	4½ ¹ / ₈
National Bank of Egypt	300,000	8	10	15½	5½ ³ / ₈
Agricultural Bank of Egypt, Ordinary	496,000	7	5	4½	7½ ¹ / ₈
„ „ „ Preferred	125,000	4	10	7½	5½ ¹ / ₈
„ „ „ Bonds .	£2,350,000	3½	100	80	4½

(t) Eligible for Trustee investments.

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THE NAVY AND CAPITAL SHIPS THE GOVERNMENT'S BUILDING POLICY CRITICISED

BY THE RT. HON. THE EARL OF SELBORNE, K.G.
(*First Lord of the Admiralty in the last Unionist Administration*)

WHEN speaking in the House of Commons last year the First Lord of the Admiralty used the following words :—

We ought to learn from our German neighbours, whose policy marches unswervingly towards its goal across the lifetime of a whole generation. The two general principles that I would deduce from these observations, and which will guide my remarks this afternoon, are, first, that we must have an ample margin of strength instantly ready; and, secondly, that there must be a steady and systematic development of our naval forces untiringly pursued over a number of years.

And in supporting the First Lord the Prime Minister said :—

The House may feel assured that when we produce our Estimates next year, with the added knowledge and fresh light acquired in the interval, and with the prospective requirements of the situation, we shall not fall short of anything our advisers think necessary to fully and adequately safeguard British interests in the Mediterranean and elsewhere.

Wise words, and brave words, but I would ask my readers to follow me and examine how far these words have been fulfilled in actual fact. I cannot but fear that they will come to the same conclusion I have done, that the "unswervingly" of His Majesty's Government bears much the same comparison to the "unswervingly" of the German Government as a roll of putty does to a bar of steel.

Both statements were a general expression of intention founded on a definitely pronounced policy. That policy was that the building standard of the Government in respect of capital ships, commonly known as Dreadnoughts, was to be a margin of

superiority of 60 per cent. over the next European naval Power. But that 60 per cent. was distributed—50 per cent. was to be devoted to securing the safety of the United Kingdom; it was to be stationed in home waters in order to provide absolute security, in the opinion of the Government, against the expansion of the German Fleet; and the other 10 per cent. was to be devoted specially to the Mediterranean, and, if necessary, to be used in other seas. This standard was justified by Mr. Churchill, very carefully justified, as sufficient at the present moment, and only as sufficient now because of our present superiority in what are called, pre-Dreadnought battleships, and he admitted most fully that that proportion of superiority would have to be increased as the older battleships became obsolescent. More than that, he admitted—and when I say admitted, I do not mean to say that it was an admission reluctantly drawn from him, but he carefully explained the fact to the House of Commons and to the country—that the coming great increase of Italian and Austrian naval strength in the Mediterranean would necessitate an increase of our strength there. Let me give his own words. They occur in the Memorandum—if one may venture to say so, the admirable Memorandum—on Naval Defence Requirements which the Admiralty prepared for the Dominion Government of Canada. In that Memorandum Mr. Churchill wrote* :—

Four battle cruisers and four armoured cruisers will be required to support British interests in the Mediterranean during the years 1913 and 1914. During those years the navies of Austria and Italy will gradually increase in strength, until in 1915 they will each possess a formidable fleet of four and six Dreadnought battleships respectively, together with strong battleships of the pre-Dreadnought types and other units, such as cruisers, torpedo-craft, etc. It is evident, therefore, that in the year 1915 our squadron of four battle cruisers and four armoured cruisers will not suffice to fulfil our requirements, and its whole composition must be reconsidered.

On the same occasion Mr. Balfour also made a speech, and at the close of his remarks he observed, "Is not the First Lord of the Admiralty running it rather fine?" Now, all who know Mr. Balfour's profound knowledge of this question, his intense anxiety to raise it above the Party level, and the moderation of his language, must admit that there was a note of very deep anxiety running through those words. I ventured about this time last year in a debate on this question in the House of Lords to say that I thought the Government were undoubtedly running it too fine. I said in my humble judgment we were short of a whole squadron of battleships in the Mediterranean. Last year that was an opinion and in some degree a prophecy. I think now I shall be able to put it as a matter of proof. And in order

* Command Paper, Cd. 6513.

that I may do so let me say that I propose to confine my comments exclusively to the policy of the Government and to an examination of whether they have fulfilled the promises they themselves made, whether they are keeping our naval strength up to, not my standard, but the standard which they themselves have laid down. Further I want to make it plain that my remarks will be limited to what may be called capital ships—Dreadnought battleships or battle cruisers, or the new Queen Elizabeth type in which the battleship and the battle cruiser have merged. I do that, not because there is not a great deal to be said and thought about naval policy generally, or about cruisers, submarines, and destroyers, but because I desire to focus the attention of the country on the building policy of the Government in respect of capital ships.

I would ask my readers to remember that these announcements of policy made on behalf of the Government were exclusively in respect of ships to be built by the Admiralty and paid for by British taxpayers. They were not in respect of ships, however or wherever built, that were paid for by taxpayers in the Dominions. And in this connection I would draw attention to the Prime Minister's words, that he "looked to the prospective requirements of the situation and especially to the adequate safeguard of British interests in the Mediterranean." These words of the Prime Minister and the words of the First Lord could not possibly refer to any ships except those paid for by the British taxpayer, because neither of those Statesmen nor the Government as a whole has any business whatever to speak in respect of ships to be paid for by Dominion taxpayers. Any Dominion ships built in augmentation of our Empire sea power have always been admitted to be as extra to the Admiralty programme as they are necessary for the protection of Empire interests. I shall therefore say nothing about the three ships which the present Canadian Government propose to build and the fate of which is in some suspense. That matter is one for the people of Canada alone, and in this article I am not going to say anything about it except to ask my readers to note how sorely that help from Canada is needed.

Let me quote once more from Mr. Churchill's Memorandum. He says: "Whatever may be the decision of Canada at the present juncture, Great Britain will not in any circumstances fail in her duty to the oversea Dominions of the Crown." Now that, taken in conjunction with the Prime Minister's statement, proves what I never doubted myself, that the Government consider themselves still responsible for the defence of the whole of the British Empire, and that in their announcement of policy they have always talked of and only meant to include ships for which

they would ask the British taxpayer to pay. It is not my intention here to discuss at length the Canadian ships. But naturally the suspense of the decision in that case made it necessary for the First Lord to reconsider the policy he had announced earlier in the year, and the result of that reconsideration was that he merely modified his building programme as announced earlier in the year by expediting the construction of three ships. The building programme laid down at the beginning of the year was five capital ships, three of which were to be laid down at the end of this financial year, and as the result of what has passed in Canada the Government have laid down these ships, or are about to lay them down, as soon as they can.

My first point is this, that when the Government proposed to build only five capital ships this year they were deliberately falling short of the 60 per cent. standard which they themselves had laid down. At the end of 1915 the German Dreadnought battleships and battle cruisers will number twenty-six. A 60 per cent. margin over twenty-six means forty-two. All that the Government have made provision for is thirty-nine. Therefore they started this year three short of the "unswerving policy" they were going to pursue. And having had an opportunity later of reconsidering their position, they still remain three short of the standard they themselves have laid down. The critical years will be 1915 and 1916. Let us therefore examine exactly what will be our position in those years. The basis I take for my statement is the assumption that all the ships of this year's programme will have been completed and in commission by the end of 1915—that is quite as much as they possibly can be—and also that the corresponding German ships will have been completed and come into commission. I also take as my basis the correctness of Mr. Churchill's statement that in the year 1915 two members of the Triple Alliance, Austria and Italy, will possess a fleet of ten Dreadnought battleships in the Mediterranean. What will then be our position? Germany will have twenty-six ships of the Dreadnought type in the North Sea. In order to maintain our 50 per cent. margin over that fleet—on the necessity for which Mr. Churchill has insisted again and again, supported, so far as we know, by all the members of the Government—we shall have to station in these home waters every single Dreadnought battleship or battle cruiser built by the Admiralty and paid for by the British taxpayer, and that will give us thirty-nine to Germany's twenty-six, and there will be no 10 per cent. margin, no margin whatever, for the Mediterranean or for any other part of the world of ships of that type built and paid for by the British taxpayer.

But at that moment the Austrian and Italian fleets will have reached that strength when Mr. Churchill says in his Memorandum

dum that the British forces in the Mediterranean must be reconstructed. In 1913 and 1914 he remains content with four battle cruisers and four armoured cruisers as our squadron in the Mediterranean. I do not think, and never have thought, that force sufficient even in the years 1913 and 1914. But he himself lays it down in the most positive manner that in 1915 that force will have to be reconstructed in order to meet the ten Dreadnought battleships of the Triple Alliance in the Mediterranean, but he will not have one single British-built Dreadnought battleship or battle cruiser stationed there, not one, and he will have to fall back on two ships and two ships only—the *Malaya* and the *New Zealand*, the one paid for by the Malay States and the other by the taxpayers of New Zealand. And it should be borne in mind that these Dominion ships have always been considered, as I have already observed, to be extra though necessary. Yet in this critical year 1915 the only ships of the Dreadnought type which the Board of Admiralty will have to put into the Mediterranean will be two of the Dominion ships. They will not have one to spare of the ships built by the British taxpayer. And in the whole of the rest of the Empire, which is not forgotten by the Prime Minister in his statement of last year, and is not forgotten by the First Lord in his statement from which I have quoted—in the whole of the rest of the Empire there will be one solitary ship of the Dreadnought type, the *Australia*, another Dominion ship, which in time of peace will be tied to Australian waters.

In this stage of the controversy the First Lord suddenly drags into his calculations the *Lord Nelson* and the *Agamemnon*. I am the last person to say anything against the *Lord Nelson* or the *Agamemnon*. They were built by the Board of Admiralty over which I had the honour to preside, and they are undoubtedly very valuable ships; but they are not Dreadnought ships, and if you drag them into the calculation you are merely confusing the issue and, as I shall show presently, without in the least improving the calculation. When we talk of Dreadnought ships we mean only one thing—a battleship or a battle cruiser whose main armament consists exclusively of one calibre of big gun, such as a 12-in. or over. The main armament of the *Lord Nelson* and the *Agamemnon* does not consist exclusively of 12-in. guns. They have only four 12-in. guns, although they have a powerful armament of 9·2 guns. Therefore I say it is confusing the issue and misleading the public to reckon the *Lord Nelson* and the *Agamemnon* with the Dreadnought type.

But let us take the First Lord on his own ground. Let us add the *Lord Nelson* and the *Agamemnon* to the *Malaya* and the *New Zealand*, and what is the result? At the very utmost you have four modern battleships in the Mediterranean to con-

front ten of Austria and Italy. But that is very far from being the end of the story, because if you include the *Lord Nelson* and the *Agamemnon* on our side you must certainly include the three battleships of the *Radetzky* type which were built by Austria on purpose to match the *Lord Nelson* and the *Agamemnon*. And if my readers will forgive me for wearying them with some detail I will now show how completely misleading it is to include the *Lord Nelson* and the *Agamemnon* on our side and not to include the *Radetzky*s.

All battleships are, of course, a compromise, and in one thing the *Lord Nelson* type differs from the *Radetzky* type. In the case of the *Lord Nelson* more of her strength was put into the armour, and in the case of the *Radetzky* type more of the strength was put into the horse-power. Therefore in certain tactical situations the *Radetzky* would have the advantage owing to her speed, whereas in other tactical situations the *Lord Nelson* would have the advantage owing to her armour. But when we come to the question of armament it will be seen how very close is the comparison between the two types of ships. The *Lord Nelson* has four 12-in. guns; the *Radetzky* has four 12-in. guns. The *Lord Nelson* has ten 9·2 guns; the *Radetzky* has eight 9·4 guns. The *Lord Nelson* has twenty-four 3-in. guns; the *Radetzky* has twenty-six guns of 3 in. and over. Therefore the real comparison we have to make if we put in the *Lord Nelson* and the *Agamemnon* is this, that at the very best we shall have four powerful modern battleships in the Mediterranean to confront thirteen of Austria and Italy. That is in the year 1915. Then there is, unfortunately, strong ground—I do not think I could put it lower than that—for believing that Austria and Italy intend to increase their naval programmes, so that in 1916 their naval strength will be even more formidable than the figures I have given. The First Lord was closely questioned on this point in the House of Commons, and his attitude was that of mere evasion. He did not say that it was not true. He said that there was nothing at the present moment in the situation to make him change his policy. He neither admitted nor denied the fact. But if this extension of the naval programme of Austria and Italy should unfortunately prove to be true, powerless as our situation in the Mediterranean will be in 1915, it will be far more dangerous and critical in 1916.

I should like to compare with these facts a statement that the First Lord of the Admiralty made no later than July 18 this year. He then said, "Apart from the 50 per cent. preponderance in Dreadnought ships which must be maintained above the German fleet in home waters for the defence of the United Kingdom"—and

I have shown that we shall require every single Dreadnought ship paid for by the British taxpayer for that special purpose—"we require a powerful fleet for foreign service in the Mediterranean, and, if necessary, for the defence of the oversea Dominions of the Crown either in the Atlantic or in the Pacific." And for those purposes we shall only have, at the most favourable calculation, four such ships in 1915 to oppose thirteen in the Mediterranean; and for the whole of the rest of the oversea Dominions of the Crown, in the Atlantic or in the Pacific, we shall have only one, and that tied to Australian waters.

Now what is it we want, and by the admission of the Government themselves? We want an adequate Fleet in the North Sea; we want an adequate Fleet in the Mediterranean; we want something to spare till the Dominions can provide for what Mr. Churchill designates as the "outer guard"; and in addition there is, of course, the question of commerce protection. But that is another story. With the exception of a small section of the followers of the Government in the House of Commons and a small section of the Labour Party, the whole nation is really unanimous in believing that a paramount Navy is the essential condition of our existence; and the more the present Government or any other Government in their place proceed along a programme of social reform, the greater is the necessity for a paramount Navy, because old-age pensions, education, national insurance, small holdings—none of these things are of any value to our poorer fellow-countrymen unless they can be assured in their permanent possession, and that assurance can only be given by the strength of the Fleet. Therefore to myself, and to all others who have endeavoured and will endeavour to keep this subject out of the ordinary channels of Party politics, the tone of Mr. Churchill's recent speech was deeply disappointing. He made no attempt to grapple with the situation as I have laid it down here, but resorted to the very commonplace device of constructing for himself a policy which he attributed to the Opposition and of then proceeding to demolish it. Indeed, that part of his speech was so unworthy of a statesman of his ability, or of a First Sea Lord, that I do not propose to discuss it.

But I would ask my readers to contrast the tone of that speech with the tone of a speech made a few days later by another member of the Government—Mr. Pease, the Minister for Education. Mr. Pease adumbrated a great scheme of national education, and ended by saying, "This will cost a great deal of money, but his Majesty's Government are prepared to foot the bill." I make no comment on Mr. Pease's statement, but it is well to note the contrast between Mr. Pease's attitude and that of Mr. Churchill. I have noticed that when a Minister has got

his way with his colleagues in the Cabinet he generally announces that fact by an attitude of benevolence to the Opposition, and when he has not succeeded in getting his way with his colleagues in the Cabinet he generally endeavours to cover his discomfort by an attitude of truculence towards the Opposition. That was the attitude Mr. Churchill adopted. Surely to give the country great schemes of social reform and not to protect them by an adequate Navy is still less sensible than the attitude of the man who invests the whole of his fortune in a chaplet of pearls but will not buy a safe in which to keep them.

My indictment of the Government in their shipbuilding policy may be summarised thus. They said they would give the country an unswerving policy, and they have swerved on the first occasion. They promised the country a 60 per cent. margin of British-paid Dreadnought ships, and they are not building up to that standard. They said that the Dominion ships were to be extra; they have substituted Dominion ships for United Kingdom ships. And they have failed in their duty to the oversea Dominions of the Crown, failed in a pledge solemnly given by the Prime Minister and by the First Lord. I said last year that in my humble judgment we were short of a whole squadron of modern battleships in the Mediterranean. To-day I have proved the fact that at the present moment we are in our preparations literally and absolutely short of a whole squadron of capital ships for service in the Mediterranean.

I pass from the shipbuilding programme to say a few words on the question of oil. The first part of Mr. Churchill's recent speech was devoted almost exclusively to oil. He spoke about it at great length and in a manner which must have interested the House as much as it interested myself. He showed that at the present time the Admiralty are devoting all their powers to the study of this question. Nobody could accuse the Board of Admiralty of lethargy in this matter at the present moment. It is a question which does require an immense amount of study. Most of us are aware of the advantages of oil fuel in the Navy. It is an immense simplification; it is an economy of the complements; it gives opportunity of more space and weight being devoted to other purposes; it renders the problem of taking in fuel in time of war much easier. But against that are to be put other considerations—storage and the absolute security for a never-failing supply in time of war. It may be possible to make provision for that. I do not for a moment say it is not possible, because I do not know. But I do say that no country ought rashly to give up the certainty of a coal supply except for an equal certainty of an oil supply.

What makes me anxious is the rashness with which last year the First Lord of the Admiralty and the Government plunged

into this question. We have had destroyers consuming oil only, but for ten years and up to last year no battleship or cruiser of importance was ever built wholly dependent on oil for its fuel. They were always built to burn coal, with oil as an auxiliary source of fuel. Last year for the first time five magnificent ships were designed and laid down with no power of burning coal, and designed with the only possibility of propulsion through oil as fuel. That was obviously rash and premature, and the proof is that this year the Admiralty themselves have gone back to the older type of ship where oil is used only as an auxiliary fuel to coal. The seriousness of the matter is this, that you cannot alter the design of a ship when once she has been commenced so as to enable coal to be used instead of oil. The designs of the two ships must be totally different. Not only are the furnaces different, but you cannot utilise the oil tanks as coal bunkers for holding coal any more than you can use the coal bunkers as tanks for holding oil. I hope the Admiralty will always have the courage to go ahead and be in front of other nations in its adoption of new ideas, but I say that to lay down five great ships last year and design them so that they could only be propelled by oil was a rashness which I would characterise as almost unpardonable.

Why is it that the Admiralty are still in doubt on this subject and feel this year that more caution is necessary? Let me tell the story. Ten years ago the Board of Admiralty, over which I had the honour to preside, foresaw that this was going to become a question of the first magnitude, and we appointed a Committee, under Mr. Pretyman's presidency, to study this question in all its bearings. The Committee was a very strong one; it included the greatest civilian experts as well as naval experts, and the work it did during two years was of the utmost value to the Admiralty. I have no hesitation in saying that the Admiralty would be in a far worse position than they are in now in the study of this question had it not been for the work of that Committee appointed ten years ago. The extraordinary thing was that the very moment this Government came into office that Committee was wiped out of existence. There was no study of this question for the whole period of seven years during which Mr. McKenna and Lord Tweedmouth filled the office of First Lord of the Admiralty, and the study of it was only revived by Mr. Churchill the other day. The whole of our difficulties at the present moment arise from the fact that for some reason absolutely inexplicable to my intelligence the Government have allowed this question to slumber for no less than seven years.

SELBORNE.

TURKEY AND THE BALKAN STATES

By DIPLOMATIST

IN view of the new position in the Near East, the speech which Sir Edward Grey made in the House of Commons on the motion for the second reading of the Appropriation Bill was both timely and instructive. As it covered the whole ground of our policy both as regards Turkey and the Balkan States it affords a convenient opening for an article dealing with Foreign Affairs and British interests.

The first matter touched upon by the Foreign Secretary had reference to the meetings of the Ambassadors of the Great Powers which since last December have taken place in London under the presidency of Sir Edward Grey himself. To use a parliamentary expression these meetings have been prorogued, and for a time the Concert of Europe as expressed by these gatherings may be regarded as having adjourned for the recess. Exactly when that recess will end depends a good deal on the business to be done, but as Sir Edward emphatically reminds us, the mere fact of adjournment raises no doubt as regards "the health and well-being" of the Concert itself. It is true the Powers have not and do not now see eye to eye on all points. For example, the opinions expressed in the various countries on the merits of the different points raised by the Treaty of Bukharest differ, but while these differences may be disconcerting, they are in no sense crucial, and it is highly satisfactory to have the assurance of so high an authority as the Secretary of State for Foreign Affairs that no differences have appeared which show a tendency to divide the groups of the Powers into opposing camps. And that after all is the main thing to consider when the issue at stake is the Peace of Europe.

Passing from the meetings themselves to the object the Conference had in view Sir Edward observed :—

It has been an axiom of diplomacy for many a year past that if ever war broke out in the Balkans it would be impossible, or almost impossible, to prevent one or more of the Great Powers being dragged into the conflict.

Suddenly, last October, we were confronted with that situation which had been regarded as so threatening and ominous to the peace of Europe and the peace of the Great Powers themselves. Up to the time of the outbreak of that war in October there had been universal expectation that if war took place in the Balkans the Great Powers, or some of the Great Powers, would be unable to keep out of it, and that if one or more were brought in, it was impossible to say how many others would be brought in. The Great Powers at once set to work to see if they could not disappoint that gloomy expectation by localising the conflict, at all events, in the Balkans. They saw at once the necessity of keeping in touch with each other with that object. The ordinary methods of diplomatic communication by which the Great Powers keep in touch with each other is that of telegrams between the different capitals. That is a machinery which in the case of six Great Powers requires for its working six Foreign Ministers and thirty Ambassadors, a *personnel* of thirty-six in all—necessarily a very cumbrous and slow-moving machine. The meetings of Ambassadors in London were called into existence as an emergency expedient, by which, by a simpler machinery than the ordinary diplomatic methods, the Great Powers might keep more constantly and more quickly in touch with regard to each difficulty as it arose.

In short, the object in view was to localise the war. And to secure this end, it was decided first to rule out Constantinople and Asiatic Turkey from the area of hostilities and then to come to an understanding about Albania and the *Ægean* Islands. Other matters, of course, came up for discussion from time to time, but the chief work the Conference had in hand from the beginning was to secure agreement on the question of Albania, a problem involving Servia's commercial access to the Adriatic and the *Ægean* Islands. Shorn of details, the agreement arrived at with regard to Albania may be roughly described as follows. An international commission of control is to be established with a *Gendarmerie* under officers selected from one of the smaller neutral powers, the idea being to set up an autonomous State under the rule of a Prince chosen by the Great Powers. As we go to press, rumour has it that the choice has fallen on the Prince of Wied.

Dealing with the question of frontiers Sir Edward Grey said:—

The difficulty of coming to an agreement about particular frontiers has been very great. Everyone will remember how difficult and how critical at some points were the questions raised in connection with the settlement of the north and north-eastern frontiers of Albania. They were settled some time ago. We have now come to an agreement for the delimitation, under certain agreed conditions, of the southern and south-eastern frontiers of Albania, which will complete the whole frontiers of this State. I am quite aware that, when the whole settlement comes to be stated, it will be open on many points to a great deal of criticism from anyone with local knowledge who looks at it purely on the merits of the locality concerned. It is to be borne in mind that, in making that agreement, the primary essential was to preserve agreement between the Great Powers themselves; and if the agreement about Albania has secured that it has done the work which is most essential in the interests of the peace of Europe.

Meanwhile it would appear that unrest still continues. In this connection the Vienna correspondent of the *Times*, telegraphing to his journal on August 17, tells us that if the reports published in that city be correct it seems that there is a possibility of considerable trouble on the north-eastern frontier of Albania in the near future. According to information said to have been received from Skutari, the chiefs of the so-called Five-Banner group of tribes—the Hoti, Gruda, Klementi, Kastrati, and Shkreli—have waited in a body upon Admiral Burney and have made the following declaration, which was likewise communicated to the Austrian and Italian Consuls :—

The tribes of the Malissia do not recognise the frontier settled by the Ambassadors' Conference. Should the Powers not listen to the just objections of the Albanians to the frontier line as formulated in their protest, war between the Malissors and Montenegro is unavoidable. If a favourable answer to the memorandum is not received by August 20 the Malissors will march upon Tuzi.

"Admiral Burney and the Consuls," the correspondent continues, "are reported to have stated that they would forward this declaration to their Governments. In the protest in question the main argument used against the incorporation in Montenegro of the Hoti and Gruda was the fact that it was largely owing to the assistance of the Malissors that Montenegro captured the Turkish frontier positions, whereby the advance on Skutari was rendered possible. This assistance was given to Montenegro at the request of King Nicholas, who declared that he had come to free their land."

As regards the *Ægean* Islands three points have to be borne in mind. In the first place their nationality is for the most part Greek; secondly, some of the islands command the entrance to the Straits; and thirdly, certain islands are very close to the coast of Asiatic Turkey, and it is essential that no islands should be used as a base from which disturbance may be created on the mainland of Asiatic Turkey. On the whole question of Albania and the *Ægean* Islands British interests are not so directly concerned as to make it necessary for the Foreign Office to take what Sir Edward calls, "a leading part in enunciating what the decisions should be." But, he adds, there is one point with regard to the Islands on which we feel, owing to our position in the Mediterranean and naval considerations, that we have a particular interest and it is this: "That no one of these islands should be claimed or retained by any of the Great Powers." Obviously if even one of these islands were to pass into the permanent possession of any of the Powers questions of importance and difficulty would at once arise. And so it came to pass, with this fact before them, that the Powers, appreciating the situation, passed a self-denying ordinance that to preserve union

amongst themselves they would none of them take advantage of the conflict in the Balkans to claim territory for themselves. Naturally the critic will say, "But what about the Treaty of Lausanne whereby Italy remains in possession temporarily of certain of these islands until Turkey carries out the provisions of that Treaty and withdraws all Turkish officers and troops from Cyrenaica. So far that provision has not been fulfilled on the part of Turkey."

It would, I think, be better to let Sir Edward Grey answer any criticism of this kind in his own words:—

Until the provisions of the Treaty of Lausanne between Italy and Turkey are completely fulfilled, of course, the final settlement as regards these particular islands in Italian occupation cannot be made; and naturally the question may arise, what is to happen supposing the fulfilment on the part of Turkey of the Treaty of Lausanne with regard to Cyrenaica is indefinitely postponed and the Italian occupation of these islands indefinitely prolonged. Italy has never allowed us for one moment to doubt that it is her intention to complete that part of that treaty, and to retire from these islands when Turkey has completed her part. We have complete confidence in her good faith: indeed, it would be entirely wrong to suggest for a moment that there was any doubt of her good faith in the matter. We have complete confidence in that. We know that she is pressing Turkey, and is anxious to get Turkey to fulfil her part of the treaty, and therefore the question of what will happen if that is indefinitely delayed is one which need not occupy us at the present moment. The great thing is that the principle should be laid down that the destiny of the *Ægean* Islands is one which concerns all the Powers, and that no one Great Power can claim one of those islands for itself. The matter having been complicated by the Treaty of Lausanne, the way in which, in a matter which occurred previous to the war, Italy has been ready to fulfil her obligations, and has been also ready to come to a general agreement about these islands which will take effect when that is fulfilled, I take as evidence of the friendliness of the Italian Government, and that they are entirely at one with us and the rest of the Powers that the question of the *Ægean* Islands is a European question to be settled by all the Powers.

Such then, for the time being, is the position of Albania and the *Ægean* Islands, and it would be difficult to find fault with an arrangement so admirable in every way. But after all the questions of Albania and the *Ægean* Islands, important as they are, can hardly be said to be the questions of the moment. The two matters pressing just now and pressing hard are the effectual settlement of Thrace and the treatment of Macedonia. These two great matters, Sir Edward reminds us, are occupying the minds of the Powers at the present time and will occupy them for some time to come.

Discussing the question of Thrace, the Foreign Secretary lays particular stress on the fact that the Turkish Government has disregarded the treaty drawn up in London under the auspices of the Powers and, as the Prime Minister has said, when the ink was scarcely dry, has disregarded the line fixed by that treaty and

reoccupied Thrace and Adrianople. To that treaty the Great Powers were not actual parties, but it was made under their auspices. Then there was another agreement made under the auspices of Europe, an agreement between Roumania and Bulgaria, which was made at St. Petersburg. That also has been disregarded. More distressing, in the view of the Foreign Secretary, than any of these events, or at least as distressing, is the fact that Macedonia has been drenched with blood by war between nations lately Allies joined in an Alliance cemented by blood shed in a common cause, and who in the last few weeks have turned upon each other and been engaged in a war accompanied by most terrible circumstances between themselves. "I find it impossible," says Sir Edward Grey, "looking at the situation of the last few weeks, to select a high, ethical, and moral standard and single out one particular Power for judgment from the rest. Every State, it seems to me, connected with the war in the Balkans in the last few weeks has, with a disregard of treaties, agreements, or alliances, set itself in its own way to take advantage, or attempt to take advantage, of the situation; and I do not see that any good purpose would be served either to British interests, or that it would be in the interests of ordinary fairness, that we should select any one particular State among these and head the hue and cry against it for having disregarded the treaty. One satisfaction there is, at any rate, and that is that the cessation of hostilities has now taken place and that peace is apparently assured by the fact that demobilisation is being pursued. That, at any rate, is some relief."

Passing to the crucial matter of the Enos-Midia line, and the reoccupation by Turkey of Adrianople, Sir Edward again tells us that the Powers consider the Enos-Midia line ought to be respected, but he adds "they are willing to take into consideration any points that Turkey regards as absolutely indispensable for the defence of Constantinople and her frontier." Here then we have a loop-hole for Turkey, and there is some reason to believe that if the Turkish troops were to stop at Adrianople instead of pushing on and endeavouring to reoccupy still more of the territory assigned to Bulgaria, the Great Powers might give way and permit Adrianople to revert back to Turkey. There is of course much to recommend such a course, but as Sir Edward Grey informed the House of Commons, expert military opinion of the first order inclines to the view that from a strategic standpoint alone the occupation of Adrianople by Turkey would be a great mistake. "The object of the Treaty of London was to give the Turks a good frontier by which they could defend Constantinople, but the retention of Thrace and of Adrianople would in some of the best opinions be an extra burden on Turkish finance in time

of peace and a positive weakness to Turkey in time of war." Referring to the position that might have been had the Balkan Allies pressed their success so far as to raise the question of Constantinople, Sir Edward bids us remember that one or more of the Powers might have intervened, and but for the fact that the Powers had an interest in the matter, "the arrangement of the Turkish frontier might not have been so favourable to Turkey even as the Enos-Midia line." And he adds:—"If it is due directly or indirectly to the influence of the Great Powers that the Treaty of London did not go beyond the Enos-Midia line, then the Great Powers are entitled to make their wishes known and to give their advice at Constantinople when it comes to be a question of settling the Turkish frontier now."

Sir Edward defines our policy towards Turkey to be that of consolidating and securing Turkish authority and Turkish integrity in her dominions in Asiatic Turkey and in the territory left to her behind the Enos-Midia line—that policy which depends upon reforms in Asiatic Turkey, which depends on sound finance, if it is to be successful, the establishment of justice, order, and good government in the Turkish dominions. "The real danger to Turkey," he points out, "is not from external attack, but from internal disorders and internal weakness." "The policy which the British Government wish to pursue is one which for its success depends on the consent and good will of the other European Powers." It is idle to suppose, he continues, that we alone by lending British officers to Turkey or giving assistance of that kind can make a success of that policy. Asiatic Turkey interests so many of the Powers, and interests them so importantly, that whatever is to be done there must be done with the consent of all. "We have expressed our opinion with regard to the assistance that should be given to Turkey in the form of sound finance by being constantly of opinion that Turkey should not have placed upon her as a consequence of this war an indemnity which would cripple her finances and make the re-establishment of her authority difficult or impossible. We are anxious to see that she should have a good strategical frontier for Constantinople. That, we believe, is the true policy and true interest of Turkey, but it needs the good will of all the Powers."

Proceeding to warn Turkey of the consequences of disregarding the advice of the Powers with respect to Adrianople and Thrace, Sir Edward took advantage of the occasion to mention that we are not ourselves contemplating separate coercive measures. But, he adds, "if Turkey does not accept the advice of the Powers it will from the beginning paralyse any policy dependent on their good will, and sooner or later, whether it be by financial distress

or whether it be by armed intervention on the part of one or more of the Powers, the disregard of their advice about Adrianople will, I am sure, bring on the Turkish Government disastrous consequences from which we cannot protect them. I believe it would be a most disastrous mistake if Turkey in this matter did not take the advice of the Powers. I believe, in fact I know, that if she is prepared to take the advice of the Powers they will be prepared to put before her a satisfactory proposition for a good strategic frontier and for assistance in carrying out the policy which I have indicated as the policy in which we wish to join and as the policy we wish to see pursued. But the difficulty about Adrianople and about Thrace may wreck the whole prospect in view. That is why I speak, I trust, in sufficiently clear language, not the language of menace, and not in any but the language of frankness. I am speaking from what we believe to be the true interests of Turkey itself."

From Thrace the Foreign Secretary passed to the Treaty of Bukharest—the treatment of Macedonia, and here he positively stated that if there be interference, it should be the minimum of interference. In his opinion the Treaty should be regarded as valid, "subject to modification in any particular matters which each individual great Power, whose interests they may consider are more closely affected than ours, wish to make." But he reminded the House if revision is suggested on any one point of the Treaty by one Power, it is probable some other Power will suggest revision on another, and it is quite clear that it would be futile to suggest modification of the Treaty unless the Powers proposing modification are prepared to assert their will by force. So far as this country is concerned we are prepared to acquiesce in whatever decision will secure the assent of the Great Powers. But we do not ourselves propose to suggest any point of modification or to take any initiative in suggesting modification. With regard to Macedonia and Thrace the Powers probably would require more time to examine the whole situation before deciding finally what demands they have to make or what steps they desire to take.

Here it may be convenient to give the text of the Bukharest Treaty as it was telegraphed over here through Reuter's Agency on August 10th:—

The King of Bulgaria, on the one hand, and the Kings of the Hellenes, Montenegro, Rumania and Servia on the other, animated by the desire to put an end to the state of war at present existing between their five respective countries, and wishing, in the interests of order, to establish peace between their long-tried peoples, resolved to conclude a definitive treaty of peace, and named their plenipotentiaries (here follows a list of delegates).

An agreement having been happily reached, it was decided:—

Article I.—Peace and amity shall exist between the King of the Bulgarians and the other Sovereigns, as also between their heirs and successors.

Article II.—The Rumano-Bulgarian frontier, rectified in conformity with the Annexe of Protocol 5, shall start from the Danube above Turtukai, and terminate on the Black Sea to the south of Ekrene. It is formally agreed that Bulgaria shall dismantle within two years the existing fortifications at Rustchuk and Schumla, and in a zone of twenty kilometres round Baltchik. A mixed commission shall within a fortnight mark out on the spot the new frontier, and preside at the partition of the property affected by the new frontier. In cases of disagreement an arbitrator shall decide as a last resort.

Article III.—The Serbo-Bulgarian frontier, fixed in conformity with the Annexe of Protocol 9, shall start from the old frontier of the Partarica mountain, and follow the old Turco-Bulgarian frontier and the watershed between the Vardar and the Struma, with the exception that the upper valley of the Strumnitza shall remain Servian. The frontier shall terminate at the mountain of Belashitza, where it will join the Greco-Bulgarian frontier. A mixed commission shall in a fortnight trace the new boundary, and superintend the partition under arbitration of the property affected by the new frontier.

Article IV. is added as a postscriptum. It provides that questions relating to the old Serbo-Bulgarian frontier shall be settled in accordance with the agreements arrived at between the contracting parties in conformity with the annexed Protocol.

Article V.—The Greco-Bulgarian frontier, fixed in conformity with Protocol 9, shall start from the new Serbo-Bulgarian frontier on the crest of the Belashitza Range and terminate at the mouth of the River Mesta on the Ægean Sea. A mixed commission with arbitration is provided for, as in the previous Article. It is formally agreed that Bulgaria henceforth waives all claim to the island of Crete.

Article VI.—The headquarters of the respective armies shall be informed of the signature of the Treaty. The Bulgarian Government engages to begin demobilising on the day following the signature of peace. Troops whose garrison is situated in the zone of occupation of the belligerent army shall be sent to some other point on old Bulgarian territory and shall not return to their usual garrison until after the evacuation of the zone of occupation.

Article VII.—The evacuation of Bulgarian territory shall begin immediately after the demobilisation of the Bulgarian army and shall be completed within a fortnight.

Article VIII.—During the occupation of Bulgarian territory the armies, while retaining the right of requisition in return for payment in cash, shall have the free use of the railways for transport and provisioning purposes without paying compensation to the local authorities. The sick and wounded are to be under the protection of the above armies.

Article IX.—As soon as possible prisoners of war shall be mutually surrendered. The Governments will present a statement of direct expenses incurred in respect of the care and maintenance of prisoners.

Article X.—The present Treaty shall be ratified and the ratifications exchanged at Bukharest within a fortnight, or sooner if possible. In faith whereof the respective Plenipotentiaries signed their names and affixed their seals.

Given at Bukharest, July 28 (O.S.) August 10 (N.S.).

That it is an important document no one will deny ; besides, it has the special merit of being drawn up by the Balkan States themselves. And as the *Times* correspondent at Bukharest aptly

remarks, "for the first time in modern history these States have settled their own differences amongst themselves. The Berlin Statement of 1878 was made, not in the interests of the Balkan States, but in those of the Great Powers; the present settlement is based frankly on force. The Balkan States have not attained the degree of international comity which exists among the Great Powers. Now that they have woken up from their long sleep under Turkish domination, the same rivalries and hatreds have awoken in their breasts which kept them asunder 500 years ago. Rumanian politicians who know the Balkans well maintain that no settlement can for the present be based on anything better than an equilibrium of forces." Briefly analysing the treaty the same authority tells us that: "Bulgaria increases her territory by about one-third of its extent before the war against Turkey and acquires a coastline on the Ægean. Servia has almost doubled hers. Greece, which has, perhaps, made the greatest relative advance in political importance, will still have a smaller population than Bulgaria. Montenegro has kept unspoiled for ever her record for not having come under the domination of the Turks. Rumania has increased her authority in the Balkans and has raised her prestige in Europe."

For her present position Bulgaria has no one to thank but herself, and while the congratulatory telegrams that passed between King Charles of Rumania and King Ferdinand of Bulgaria seem to show on both sides a desire to heal the wounds that have been newly opened, King Ferdinand's address to his army scarcely presupposes that state of permanent peace of which King Charles speaks with so much certainty. In order that my readers may judge for themselves, I give the text of the telegram as well as of the "Order of the Day" addressed to the Bulgarian Army by its titular head:—

King Charles' Telegram to King of Bulgaria.

Peace has just been signed. Before everything, I wish to acknowledge the spirit of conciliation of the Delegates of the Government of your Majesty, which has enabled this object, desired by every one, to be attained. Notwithstanding the sacrifices that Bulgaria had to impose upon herself, her people, I am certain, will bless your Majesty for having been able to put an end to this sanguinary war. A fresh era of composure is going to be opened, and will cicatrize wounds. It will not be slow in bringing back prosperity to the kingdom. Your Majesty will not doubt how much I have at heart the desire to see established and consolidated relations of friendship and good neighbourliness between the two countries, nor will you doubt the sincerity of my affectionate sentiments to your person.

King Ferdinand's Reply to King Charles.

I desire to thank your Majesty for the cordial telegram addressed to me on the occasion of the act closing a tragic period in the history of my people, during which, after brilliant victories, it has experienced the cruellest trials

and an accumulation of every misfortune. Henceforward we shall look to reinvigorating peace and strenuous labour to procure us oblivion of the past and preparations for a better future. I must acknowledge that it is to the incessant efforts of your Majesty and the collaboration of your Government that the world owes the end of this sanguinary and devastating war, and I express my gratitude to you, on my own behalf and on that of my people. I rejoice that this wise and humanitarian work constitutes a starting point of the re-establishment of friendly and good neighbourly relations between our two countries, relations which I and my Government desire and shall endeavour to render more intimate than in the past. I hope your Majesty, who has given me proof of your sympathy and affectionate interest in adversity, and who is inspired by the same sentiments as myself, will aid me rapidly to efface the painful traces of recent events, and to develop the prosperity of our peoples on the basis of relations of close friendship between Rumania and Bulgaria.

Order of the Day.

Soldiers! At a moment when you were going to return to your homes a fresh scourge descended upon us. Our Allies, with whom we have fixed treaties, betrayed us and tried to snatch from us that which had been redeemed by the blood of tens of thousands of heroes. Indignant at this felony, the entire Bulgarian nation, from the Chief of the State to the last peasant and workman, could not resign themselves to this spoliation. No Bulgarian patriot could willingly and without a struggle renounce Monastir, Ochrida, Dibra, Perlepe, Salonika, Seres, and other Bulgarian districts where our race-brothers dwell. Provoked by former Allies, we were compelled against our will once more to resume a difficult struggle. It would have been crowned with success had not a series of unforeseen political circumstances paralysed our strength. Pressed on all sides, we were obliged to sign the Treaty of Bukharest, our country not being in a condition to struggle with its five neighbours without risking the loss of everything. Exhausted and tired, but not conquered, we had to furl our glorious standards until better days.

Glorious soldiers! Now that you are leaving the ranks of your heroic regiments, I consider it my sacred duty to express to you in the name of Bulgaria my cordial and profound gratitude for all the sacrifices, all the troubles, and all the sufferings that you have endured during this gigantic struggle. May God reward you for everything you have done! History and posterity will judge, appreciate, and inscribe in letters of gold how well you have deserved of the Fatherland. I desire that you should return safe and sound to your homes and devote yourselves with fresh force and energy to your peaceful occupations. May the national liberty and well-being flourish around you! Tell your children and your grandchildren about the gallantry of the Bulgarian soldier, and prepare them to complete one day the glorious work that you have begun.

Scarcely had the Treaty been signed before Austria-Hungary and Russia expressed dissatisfaction with its provisions, and it was doubtless to these differences that Sir Edward Grey referred when mentioning the non-unanimity on all points at the Ambassadors' Conference. Both Austria-Hungary and Russia are opposed to an excessive humiliation of Bulgaria, their opposition being mainly concerned with the incorporation of Kabala in Greece and a desire to see Bulgaria secure a wider outlet on the *Ægean* Sea than her

late allies have been able to concede. But whether these Powers will push their views any further than they have already done is extremely doubtful, in view of the fact that France, Germany and Great Britain have each declared against revision.

Writing on this subject as late as August 14, the *Times* correspondent at St. Petersburg says: "Russia's last word in regard to the Bukharest Treaty may be stated as follows:—She will not herself propose revision, and hitherto has not been officially aware that any other Power proposes it. The only Power believed to contemplate such a proposal is Austria-Hungary, and in view of the utter hopelessness of securing the support of the Concert, it is believed that Austria-Hungary will not proceed further in the matter. To raise the question at all in the Concert would imply on her part willingness to go to extreme lengths."

On the general question of peace in the Balkans, Russia is naturally pleased, and in celebration of the event the following telegrams passed between the Czar and King Charles of Roumania:—

PETERHOF.

I beg your Majesty to accept my sincere congratulations on the occasion of the re-establishment of peace in the Balkans. This beneficent result is at the same time an indubitable success for Roumania. I form the best wishes for the happiness and prosperity of your country, guided by the foreseeing wisdom of its Sovereign.

NICHOLAS.

BUKHAREST.

Profoundly touched by the sympathetic interest and affectionate congratulations that your Imperial Majesty has been kind enough to address to me on the occasion of the work of peace which has just been accomplished, I thank you from the bottom of my heart for these fresh and infinitely precious evidences of your friendship. May this peace be durable, and restore calm and prosperity to the Balkan Peninsula by drawing together these peoples who have so many interests in common.

CAROL.

That Austria-Hungary finds her position somewhat embarrassing is clear from the message sent to the *Times* by their correspondent at Vienna the day before "Russia's last word" on the subject was made known here. "The belief," says the correspondent, "that Austria-Hungary is abandoning the idea of a revision of the Treaty of Bukharest is supported by a change of tone on the part of those journals which are in close touch with the Foreign Office. No definite statement, it is true, has so far been made, and in the *Tagblatt* this evening there appears a communication from a

'well-informed source' to the effect that no official declaration of the intention of the Russian Government to abandon revision of the Treaty having yet been received, statements as to the attitude which Austria-Hungary would adopt in that eventuality are premature. The possibility that the Monarchy might abstain from ratifying the Bukharest Treaty is put forward in an article in the *Tagblatt*, which bears all the marks of coming from well-informed sources."

Basing its remarks upon the report that Russia has abandoned the idea of revision, the writer in the *Tagblatt* states :—

The Austro-Hungarian Government now stands alone in Europe with its wish for the revision of the Bulgarian frontier in Central Macedonia, the motive of which is to prevent, at any rate to a certain extent, the dismemberment of the Bulgarian people in those regions. None the less the Government might persist in its decision to exercise the right of revision, although it is clear that a successful revision, without throwing armed force into the scale, but based upon the right emanating from the Berlin Treaty, could only take place by the unanimous decision of all the Powers. Since such an eventuality is no longer to be expected, Austria-Hungary, should she not be able to carry through her proposal for the revision of the Central Macedonian frontiers, might abstain from exercising the right of ratification of the agreements arrived at in Bukharest, which she possesses in accordance with the Berlin Treaty.

The remarks of Sir Edward Grey, adds the correspondent, with regard to revision and the possible eventualities for those Powers who undertake to exercise their right, are received as an authoritative confirmation of the arguments brought forward by the opponents of revision in Austria-Hungary.

On the day following the same correspondent telegraphed that it is suggested that it is not impossible that the Monarchy, while renouncing the idea of revision in so far as a rectification of the frontiers for the benefit of Bulgaria is concerned, may still try and bring about a modification of the Treaty in the sense of obtaining guarantees for religious and educational freedom for the minorities in the territory annexed by Servia. The question, he adds, that must come up for settlement before long is that of the Albanian Catholics in the districts which are to fall within the Servian and Montenegrin frontiers, who under the Turkish *régime* stood under the protection of Austria-Hungary. "By raising the question of the Bulgarian Churches in Servian Macedonia an opportunity might be afforded Austria-Hungary of regulating that of the Albanian Catholics." Herein I think we have the true solution of the intervention theory. No attempt will be made to upset the arrangements set out in the articles of the Treaty itself, but without doubt it will be necessary to secure religious and educational freedom for minorities. In Ireland "minorities must

suffer"—at least, so it is ordained by Mr. Birrell—but there is no reason why the same policy should prevail in the Balkans. There the religious and educational rights of minorities are to be protected, and protected even to the extent of intervention by the Great Powers, or at any rate of such of them as have a direct interest in the minorities in question.

That Germany was against revision from the first is amply shown by the following telegrams which passed between the German Emperor and the King of Rumania immediately after the signing of the Bukharest Treaty.

BUKHAREST.

After heavy difficulties have been overcome, the conclusion of peace is assured, and thanks to you it remains a final peace. With all my heart I thank you for your loyal friendship and cordial good-will.

CAROL.

SWINEMÜNDE.

Your telegram which arrived to-night gives me great and real joy. I offer you my most sincere and hearty congratulations on the splendid result, for which not only your own people, but all the belligerent States and the whole of Europe have to thank your wise and truly statesmanlike policy. At the same time your mentioning that I have been able to contribute to what has been achieved is a great satisfaction to me. I rejoice at our mutual co-operation in the cause of peace.

WILHELM.

BUKHAREST.

The kind words in your extremely cordial telegram fill me with pride and sincere gratitude. Once again accept my warmest thanks for your warm interest and your effective share in recent events so significant for my country.

CAROL.

Equally emphatic is the German Press as regards the question of revision, all shades of opinion inclining to the view that no alteration in the settlement will be proposed by Germany. The Berlin correspondent of the *Cologne Gazette*, writing on the subject on August 11, says :—

By the publication of the telegrams exchanged between the German Emperor and King Charles of Rumania, and by the remarks which appeared in the *North German Gazette* on Sunday morning, the attitude of Germany towards the Peace of Bukharest has been placed beyond all doubt. Germany has no need to take part in any European efforts for revision of the Treaty, and encounters a similar view among the other Powers. Action by European diplomacy against the Treaty of Bukharest is therefore out of the question. So far as the approval of the Treaty by the Great Powers is required, Germany will co-operate in bringing about this approval. There is no need to give up hope that this also will be effected without special diplomatic action.

The German position is further explained by the *Times* correspondent at Berlin, who, telegraphing to his journal on August 12, says, "The *Cologne Gazette* in a telegram from Berlin calls attention to the unanimity with which the Berlin Press rejects the idea even of an examination of the Treaty of Bukharest, and hopes that Austria will come round to the same opinion. To-night the Rhenish organ confirms the impression that there has been no change of view here on the subject of revision. It is repeated that Germany is taking no part 'in a European attempt to revise the Treaty of Bukharest and that she thereby prevents European action against the work of peace.' She takes part only in such discussions as serve to procure Europe's assent to the Treaty. She entertains no antagonism against Bulgaria, but the latest declaration of King Ferdinand makes clear that Bulgarian aspirations cannot be realised without a fresh disturbance of peace. It is added that nothing is yet known as to the scope of the changes proposed by individual Powers, but it is inferred from King Ferdinand's words that the efforts of those Powers would not avail to reconcile Bulgaria with the Treaty."

The difference of opinion prevailing between Austria-Hungary and Germany on the question of revision in no way involves friction between those two Powers, and it would almost seem that some German scribes had gone too far in attributing disappointment to Germany because the two Governments did not see eye to eye in the matter. Some writers on the other hand take the view that the press notices have served a useful purpose, "since it has now been shown to the world that the Treaty of Alliance both in wording and in spirit leaves room for small differences of opinion between the Allies upon questions not touching their vital interests." Be this as it may, it was at once obvious from the German Emperor's telegram quoted above that he at any rate acquiesced in King Charles's expression of finality.

But if Austria-Hungary felt any grievance at the line taken in certain quarters by the German Press, or if the Emperor Francis Joseph did not approve of the telegraphic correspondence between the Emperor William and King Charles, the extreme cordiality of the Kaiser's speech at the banquet given at Homburg on the occasion of the Austrian Emperor's birthday must have removed any impression that may have got abroad that friction had arisen between the two monarchs over the question of revising the Bukharest Treaty. In proposing the toast the German Emperor said :—

Since we last met, as we do every year, to celebrate the birthday of his Majesty the Emperor-King Francis Joseph, my faithful ally and my paternal friend, violent storms have raged over the South-East of Europe, and if the efforts to

preserve the peace of Europe against all assaults have met with success, we have to thank for that in no small measure the great wisdom of the Emperor Francis Joseph. As the faithful ally of Austria-Hungary, this gives us particular cause for rejoicing, and we look hopefully into the future, for the might and activity of the old and tried alliance which unites Germany with Austria-Hungary will be preserved for the benefit of the world. Animated by these sentiments, we pray the Almighty that his Majesty may be spared for many long years of benignant rule over his peoples, for their well-being and for the lasting might and greatness of the empire. We raise our glasses to drink to the health of his Majesty the Emperor and King Francis Joseph.

Nothing could show better the strength of the Alliance than these words, and no greater compliment could have been paid to the Emperor Francis Joseph. If harm had been done, and it is doubtful, the weighty and timely speech of the German Emperor at once put matters right, and if it be the fact that Austria-Hungary is only seeking to preserve the rights of minorities as regards religion and education, it may be taken for granted that the Emperor William as well as the British Government will not hesitate to make similar representations.

Following the example of the other Powers, the French Minister at Bukharest presented to King Charles of Rumania the congratulations of the President of the French Republic upon the conclusion of peace, and King Charles expressed his thanks to M. Poincaré in the following telegram :—

I have received with lively satisfaction the congratulation which M. Blondel has conveyed to me on your behalf, on the occasion of the conclusion of peace. I hasten to thank you cordially for this manifestation of sympathy. It has been particularly agreeable to me to see how great was the appreciation in France of our efforts to restore tranquillity in the Balkan Peninsula, the state of which had become a matter of anxiety to Europe.

As with Germany so with France the Government accepts the treaty as final. Neither did the French Press show much sympathy with Russia. Indeed, so far as the Press was concerned, the position produced in France was almost identical to that produced in Germany. Referring to the difference of opinion between France and Russia the Paris correspondent of the *Times*, writing under date August 10, tells us that "there seems to be widespread inability in Paris to understand the poignancy of Russian feeling at the present moment. It is believed that what has given the greatest shock to Russian sensibilities is the action of the administration of the Turkish Régie in advancing to the Turkish Government money which has been spent upon the reconquest of Adrianople.

The capital of which the Régie disposes is largely French—and also largely German. It appears to be regarded as inconceivable in St. Petersburg that French capital should be employed in the furtherance of a Turkish military enterprise which is rash in itself, and which at the same time bids defiance to the European Concert, and particularly to Russia. On the other hand, French journals of the most widely divergent tendencies are asserting that Russia did not inform the French Government of her intention to ask for the revision of the Bukharest Treaty, and that her action only became known here through the communication which she made to the Conference at Bukharest. As to this delicate question, it was certainly known in Paris and elsewhere that Russia had left Bulgaria in no doubt regarding her intention to demand revision."

The same authority informs us that strenuous efforts were being made to pour oil on troubled waters. In the *Figaro* M. Raymond Recouly speaks of "the very slight cloud which has apparently arisen between France and Russia," and thinks that it will soon pass away, if it has not already passed. He continues :—

Close and intimate as is the friendship which unites the two great countries, and straightforward as is their co-operation, it is really impossible that slight differences should not from time to time arise in the views they take of events. Particularly in the course of the Eastern crisis, which has been so fruitful in paradoxes and in surprises, it was inevitable that the policy of the two Governments should not always exactly coincide. The only course in such circumstances is to examine the difficulty in a spirit of conciliation and to acquiesce on both sides in every possible concession. This both St. Petersburg and Paris will not fail to do.

And on the day following a semi-official announcement was made with regard to the questions of Kavala and the revision of the Bukharest Treaty. The announcement ran thus :—

The moment seems to have come to give the correct version of the contradictory accounts which have been published regarding the respective attitudes of the French and Russian Governments in the affair of Kavala. Neither of them ever asked the other to sacrifice its point of view. They constantly communicated to each other their opinions on this subject. Russia knew that France was inclined in favour of having Kavala, a Greek town, assigned to Greece. France was not unaware of the desire of Russia to secure for Bulgaria this port on the Aegean Sea. The two Governments knew that neither of them attached such importance to its opinion that it was under the necessity of asking its ally to sacrifice its preferences, as the tendencies of the general policy of the Powers and the facts of the case were bound to rally both Governments to the support of one of the solutions. The question of revision being now decided in the negative sense, there is no occasion to dwell upon this affair. What is certain is that the contact between the two countries has never been closer than at the present moment.

Hungary the differences between France and Russia over the Treaty of Bukharest were only differences of opinion. The friendship between these two nations remains on the same footing as before, or to quote the wording of the semi-official *communiqué*, their mutual relations were never closer than at the present time.

As we go to press all sorts of rumours are afloat regarding the future of Adrianople. Of one thing, however, there is no doubt, public opinion is coming round to the view I have already expressed, that some means may yet be found to leave that city in the possession of Turkey. The view taken by the Ottoman Government in their reply to the Identic Note of the Powers, was that Turkey is compelled to go beyond the Enos-Midia frontier in order to secure adequate defence for Constantinople, and the Ottoman Government expresses the hope that the Powers will agree to the occupation by Turkey of the territory within the frontier starting from Enos and running northwards to Adrianople along the Maritza. The latest and most authentic expression of opinion on the question comes from Vienna, and is thus transmitted by the *Times* correspondent. He tells us, and tells us, I think, correctly that alike in diplomatic circles and in the Press the opinion is held that Adrianople is as good as lost to Bulgaria. The Powers, it is felt, are all too anxious for peace and tranquillity for any one of them to undertake action on behalf of Bulgaria, who is not likely to venture upon direct negotiations with Turkey, and will have to satisfy herself with the withdrawal of the Turks behind the Maritza.

I had hoped to have said something about Mexico and the questions that have arisen in respect to the Panama Exhibition, but space bids me stop. I cannot, however, conclude without drawing attention to the fact—and it is an interesting episode in connection with the more friendly relations now existing between this country and Germany—that our commercial rival has not sought to take advantage of the opportunity afforded her of participating in the International Exhibition, when it was known that we had declined to take part. Whatever may be the ultimate decision of the British Government, the very friendly attitude of Germany should not pass without recognition.

DIPLOMATIST.

BRITISH INDIANS IN SOUTH AFRICA

BY THE RIGHT HON. LORD AMPHILL, G.C.I.E., G.C.S.I.
(*Late Governor of Madras*)

It is important and necessary that politicians of all classes and shades of opinion, who lay any claim to sincerity, should understand the question of British Indians in South Africa. Indeed, all who profess to take an intelligent interest in political affairs should know what wrongs have been inflicted on our Indian fellow-subjects and what rights they claim, in order that they may be able to form a judgment as to how those wrongs should be remedied and as to what rights are due to British subjects under the British flag.

To the Imperialist, that is, to the man who believes in the British Empire and recognises that common duties and common responsibilities are involved in the maintenance of the incalculable common advantage of that system in which he places his whole faith, the matter is beyond question a vital Imperial problem. But it is equally a matter of concern to the Little Englander who is at all sincere in his professions, for the one and only justification for the existence of that class is the advocacy of broad humanitarian principles. It is among the sentimentalists of that school that we find those who are foremost and loudest in the demand that Great Britain should go to the rescue of oppressed nations and classes all over the world, and it is they who, with missionary zeal and indiscretion, desire to bestow representative institutions and Parliamentary Government on all peoples and races, whatever their creed, colour or customs may be.

But our Indian fellow-subjects in South Africa are not demanding equal political rights or even a vote. Their demand falls far short of that, and is merely that they should be treated in accordance with the pledges which have been given to them by British Governments and the professions made by British statesmen. They ask that in the eyes of the law they should not be treated as an inferior and servile race, and that, although

it is necessary for economical reasons to set bounds to their competition with the white man in South Africa, they may at any rate be secure against wilful and systematic oppression.

That modest appeal for bare justice and humane treatment ought to commend itself alike to Imperialist and Little Englander, to Free Trader and Protectionist, to sentimentalist and practical politician, to Conservative, Radical or Socialist, or at least to any member of those classes whose views are based upon principle and held with sincerity.

How is it that our people can be roused in a few months to passionate interest in such tales as that of the imaginary "Chinese Slavery," or of oppression and misgovernment in the Near East, the latter often just as inaccurate and one-sided as the former, while the grievances of their own fellow-subjects under their own flag, which have continued for twenty years and more, leave them unmoved? Herein lies much food for speculation on the part of the political philosopher and much occasion for comment on the progress of democracy and civilisation.

This question of the treatment of Indians in South Africa is a test of our fitness to be an Imperial people and a test of the fitness of democracy to deal with external affairs.

The excuse for negligence which satisfies those of easy conscience and those who have no clear conception of the meaning of Empire is that we cannot interfere with the affairs of a self-governing colony! If that is sound doctrine, how much less ought we to interfere with the affairs of any Foreign Nation! If that is the right view, we have no right in future and had no right in the past to use our power to stop oppression and injustice. All those deeds of national chivalry in the storied past on which we have hitherto prided ourselves and on which we base our claim to the respect of the world, were merely mischievous and unwarrantable interference. *Laissez-faire*, then, should be our maxim as a nation among nations, and if that be regarded as a matter of principle, it should also be the principle of our own national life, for principles must, of course, be of universal application. With that as our principle, with the maxim, "Am I my brother's keeper?" as our watchword, we ought not to concern ourselves further about "social reform."

But this excuse that we cannot interfere with the affairs of a self-governing colony, which the present Ministers consider good enough for Parliament, to use a colloquial expression, "will not wash." The self-governing colony cannot get on without our interference. Ordinary law and order cannot be maintained in South Africa without the assistance of British troops, as we have all been forced to recognise during the past few months,

and to those persons capable of taking a wider view it has always been apparent that the very existence of the colonies is guaranteed by the British Navy. Again, why was the matter not settled before the Transvaal became a self-governing colony? All the trouble originated in the Transvaal and for a long time was confined to the Transvaal, and it was absolutely within the power of the Imperial Government to postpone the grant of responsible Government until it had been settled. There were other opportunities of settling it, notably when this colony, in which we were said to have no right to interfere, was obliged to come to us to borrow money in order to carry on at all. There was another great opportunity when the sanction of the British Parliament was required for the establishment of the Union of South Africa, but so far from taking advantage of that opportunity the Imperial Government permitted the trouble to spread to the whole of South Africa.

There is, in fact, no excuse for the neglect and incompetence which allowed the deplorable trouble in the Transvaal to continue and to grow until it aroused indignation in India more general, more widespread and more genuine than any movement of public opinion which has yet pervaded that vast and heterogeneous dominion. Can anyone doubt that if British subjects of whatever race or colour were ill-treated in any foreign country we should insist on having redress? Why, then, should we be afraid of insisting on our rights with our own kith and kin across the seas? The neglect must be due either to moral cowardice or else to the hypocritical self-satisfaction of him who can see the mote in the eye of his neighbour but is unable to perceive the beam in his own eye. So long as we were able to put the blame on a foreign State our indignation at the ill-treatment of our Indian fellow-subjects was strong and universal. The treatment of British Indians resident in the Transvaal was, indeed, "part of the British case against the South African Republic," as the Colonial Secretary of 1904, the late Mr. Alfred Lyttelton, reminded Lord Milner after the war was over. And while the war was in progress British statesmen did not fail to remind the people of its justification and origin. Lord Lansdowne, speaking at Sheffield in 1899, said :

"A considerable number of the Queen's Indian subjects are to be found in the Transvaal, and among the many misdeeds of the South African Republic, I do not know that any fills me with more indignation than its treatment of these Indians. And the harm is not confined to the sufferer on the spot; for what do you imagine would be the effect produced in India when these poor people return to their country to report to their friends that the Government of

the Empress, so mighty and irresistible in India, with its population of three hundred millions, is powerless to secure redress at the hands of a small South African State ? ”

Those were far-sighted and prophetic words, for at that time India was quite unconscious of the indignity, and it is only after the lapse of a decade that we have seen “ the effect produced in India.” That effect is sufficiently disquieting to all those who are concerned for the good name of Great Britain and the stability of British Rule in India. How are we to account for the fact that, although the arbitrament of war gave us the power to secure redress, twelve years have passed, and the British Indian grievance still remains ? It is essential that everyone who takes an intelligent interest in Imperial concerns should study the history of this deplorable neglect of duty on the part of the Imperial Government.

The views expressed in 1899 by Lord Selborne, who afterwards became High Commissioner at the Cape, were no less impressive than those of Lord Lansdowne, and are worthy of repetition.

“ Was it or was it not,” asked Lord Selborne, “ our duty to see that our dusky fellow-subjects in the Transvaal, where they had a perfect right to go, should be treated as the Queen in our name had promised they should be treated ? If they agreed with him and admitted that these were questions which we had to answer, as trustees before our fellow-countrymen and before history, then they would agree with him also that the path of duty was to be ruled, not by sentiment, but by plain facts. We were trustees for our brothers all over the world. Trustees also for our fellow-subjects of different races and different colours. For all those and the unborn children of these. Therefore, the test we had to apply in an emergency like this was the simple test of duty. Was it or was it not our duty to see that the rights and the future interests of those he had named should be maintained ? Was the British Government going to make its name respected and to have the pledges given by it faithfully observed ? Was it going to see that the British subject, wherever he went all over the world, whether he were white or black, was to have the rights which his Queen had secured for him ? ”

How is it that these admirable views, entirely endorsed by public opinion at the time, have not been made to prevail since the war gave the British Government absolute power “ to make its name respected and to have the pledges given by it faithfully observed,” and to ensure that “ our dusky fellow-subjects in the Transvaal should be treated as the Queen in our name had promised they should be treated ” ? There is no answer that can be made without shame, for the scandalous fact is that the lot of Indians in South Africa became worse instead of better

after the war, and that they were driven by the intolerable oppression to resort to "passive resistance" with all its penalties of imprisonment, financial ruin, and banishment.

The painful story is too long and complicated for the compass of a single article. The object of these lines is merely to call the attention of students of Imperial affairs to the fact that the question is still unsettled and that the grievances of British Indians in South Africa have not yet been redressed.

The latest and long deferred attempt to solve the problem has been the Immigrants Regulation Act, passed by the Union Parliament of South Africa on June 13th last, received the assent of the Governor-General on the following day and came into force on August 1st. This Act, so far from having settled the question, will probably lead to a recrudescence of "passive resistance," because it fails to perform specific promises made to the British Indian community, and because it does not fulfil those conditions which His Majesty's Government have repeatedly and explicitly declared to be essential.

In these circumstances it is strange and unaccountable that the Government should have allowed the Governor-General, who is a servant of the Crown and not an independent potentate, to assent to the Bill before even its final text had reached this country, when they had the right under the South African Act to reserve the Bill for the assent of the King. It would be fatuous nowadays to plead that this was a purely local concern, while India is seething with indignation and while the South African Government are actually dependent on Imperial troops for the preservation of law and order. Nobody of ordinary common sense can possibly be satisfied with that excuse so often made in the past by Ministers who do not scruple to trade on the self-centred ignorance of the general public.

The pledges, given in writing to the Indian community by the Union Government in a correspondence known as the "Provisional Settlement of 1911," were as follows :—

That legislation should be passed in the next session repealing Act 2 of 1907 (the Act which gave rise to passive resistance and all the devoted self-sacrifice to their ideal of the Indian community) subject to the reservation of the rights of minor children.

That there should be no "racial bar" in any future legislation for the whole Union.

That existing rights should be maintained ; and

That there should be an amnesty for passive resisters.

On the faith of these pledges passive resistance was suspended by the Indian community in 1911. But the promised legislation was not passed in the next session, or, indeed, until

the present year, and the two essential conditions of the compact have been violated—the removal of the “racial bar” and the maintenance of existing rights.

Now it is most important to understand that these were the essential conditions, for herein lies the proof that the Indians are struggling for an ideal which is as modest as it is creditable to them and which every civilised being ought to respect. They do not ask for votes or for political rights or for any new rights. They merely ask that they should not be treated under the law as an inferior and servile race, and that they may be secured in rights which they have hitherto enjoyed in accordance with the pledges of the British Government.

They understand and acquiesce in the economic necessity which obliges South Africa to restrict Asiatic Immigration. They do not demand unrestricted right of entry to South Africa; they accept practically complete restriction provided only that they are allowed to import the small number of priests, lawyers, and doctors necessary to the life of their community. They have striven and suffered to an extent which a European community could hardly surpass, mainly for the honour of the Indian race. They say, “Exclude our people, since it is necessary for the interests of a young nation to do so, but do not let your laws declare that they are excluded on account of racial inferiority. Let the grounds of exclusion defined by your laws be those of economic necessity. Treat us as strangers, if it so please you, but do not forget that we have helped you to develop your country, and do not deprive us of rights which we have hitherto enjoyed amongst you.”

Surely this is a claim to which no reasonable objection can be made! How can those who resist with so much passion the employment of the alien Chinaman reconcile it with honesty and sincerity to acquiesce in a policy reducing the Indian, a British subject, to conditions of “slavery” which would closely resemble those against which they protested in the case of the Chinese?

It remains to show how the Immigrants Regulation Act fails to maintain existing rights or to remove the racial bar, and goes contrary to the stipulations of His Majesty's Government.

South African born Indians have hitherto enjoyed the unquestioned right to enter the Cape. That right has been taken away by Section 5 (e) of the Act read together with the proviso at the end of the same section.

The Indians of Natal have hitherto enjoyed the right of domicile after three years' residence without indenture. That right has been taken away by definition of the term “domicile” in Section 30 of the Act.

The Indians of the Cape have hitherto enjoyed an appeal to

the Supreme Court on facts as well as on law, but that right has been reduced to an appeal on law only.

But Lord Crewe, writing as Secretary of State for the Colonies on October 7th, 1910, said :—" I ought to add that any solution that prejudices or weakens the present position of Indians in the Cape Colony and Natal would not be acceptable to His Majesty's Government." Why, then, have His Majesty's Government, advised by Mr. Lewis Harcourt, accepted a solution which unquestionably " prejudices and weakens " the position which Indians held before ? Our democratic Parliament, which imagines itself to be conducting the affairs of the Empire, has neither received nor even demanded an explanation. Why this silence and neglect on the part of the high-souled legislators who for a while shouted themselves hoarse on every platform in their indignation at the treatment of Chinese coolies ? Their principal complaint was that the Chinese labourers were under indenture and were forced to live in " locations," and these conditions were represented to the people of this country as conditions of " slavery." But the real object of the South African policy is to drive the free Indian back to indenture and to compel the Indian community to reside in locations.

The Immigrants Regulation Act still maintains a " racial bar " in respect of the Free State, for under Section 7, Asiatics alone will be required on entering the Free State to make a declaration which is humiliating to them, absolutely unnecessary for the purpose which the Free Staters have in view, and, in fact, a wanton slight upon Indians.

The Act is unsatisfactory in other respects, and particularly because it makes no provision for the recognition of marriages solemnised in South Africa according to Hindu and Muhammadan rites. It is scarcely necessary to comment upon the intolerable hardships which this omission will entail.

There was a further promise that the £3 Poll Tax upon Indians should be abolished, but this promise also has not been fulfilled. The reason is that the Poll Tax, which is valueless as a source of revenue and impossible of strict enforcement in view of the extreme poverty of most of those who are liable to it, is required as an instrument for driving Indian labourers to re-indenture ; in fact, for subjecting them to those very conditions at which the opponents of " Chinese slavery " professed to be so deeply scandalised.

These are the facts to which this article seeks to call the attention of all who value British honour, who regard the British flag as the symbol of freedom, and who believe that it is the duty of Britons, at the present time as in the past, to prevent injustice and oppression.

AMPTHILL.

PROPORTIONAL REPRESENTATION IN AUSTRALIA

By JEANNE F. YOUNG

(Hon. Sec. of the *Effective Voting League*, Adelaide)

PROPORTIONAL Representation in Australia has had a somewhat chequered career. When Thomas Hare first propounded his scheme it was regarded mainly as a method for the representation of minorities, for manhood suffrage had already become an integral part of the constitution in each Australian colony. Condemning these wild experiments in the extension of representative government, the *Sydney Morning Herald* of the day observed that the new British dependencies were "boasting in Governments responsible to the unchecked, untutored voices of the numerical majority." And the same journal, reviewing Mr. Hare's book on the 'Election of Representatives' in 1859, said :—

His method of voting is equally entitled to consideration by both extremes of our political parties, inasmuch as by rendering the Legislature a more true and just reflex of the opinions of the electors, and relieving respectable minorities from the total disfranchisement which the present system inflicts, it makes it possible for the Conservative party to acquiesce in a much less restricted franchise than it would regard as safe with the existing plan of voting. It at the same time carries out the principle of pure representation to the uttermost, and the extremest democrat could only complain of it by a naked avowal that he required more than his own share of representation, more than justice, more than equality.

That is precisely the reason openly avowed by Conservatives in Tasmania who are asking for the repeal of the Tasmanian Act of 1907 after three completely successful trials. They require more than their fair share of representation, more than justice, more than equality. They admit that the system gave them all that they were entitled to, but not all that they wanted. In South Australia the reactionary party is also opposing the introduction of the proportional system, fearing party losses. But it is an open secret that the great floating vote, numerically larger than either party, returned a Liberal State Government

to power in 1912 over the sins of the Labour Party. One turbulent session is over, and the actions of the Parliamentary Liberals during that session have certainly not extended their influence. Whether it has lessened it, as many persons think, the approaching Federal elections will show. Be this as it may, the absence of proportional representation in South Australia will render not only possible, but extremely probable, the restoration of a Labour Government at the close of the present Parliament.

The system had also appealed in 1859 to Mr. Holden, a New South Wales legislator, who immediately set to work to prepare a Bill for its application to the Upper House in that colony, the nature of which—whether elective or nominative—had not then been decided. As nomination was finally adopted, Mr. Holden's Bill became inoperative. The same difficulty that confronted Mr. Holden caused the abandonment by Mr. Lavington Glyde in the South Australian House of Assembly in 1860 of a resolution having the same object in view. At that time the House of Assembly elected thirty-six members, with one six-member district, one three-member, and the rest, one and two-member districts. The Council elected eighteen members from the colony as one electorate. The difficulty referred to was that of filling casual vacancies. At that time no modification of Mr. Hare's original plan of making the whole country one electorate, had been suggested. The first proposal for a modification of the "whole" electorate plan came in later years from Catherine Helen Spence, whose pamphlet on the subject, written in 1861, was described by Thomas Hare and John Stuart Mill as the finest presentment ever written from the democratic side. Miss Spence, unlike the *Sydney Morning Herald*, which no longer yearns for perfect electoral equality, retained her zeal and enthusiasm for the cause through the long years of a useful public life, which closed in 1910.

Bye-elections in the circumstances proposed by Mr. Hare, with hundreds of candidates and millions of voters, were very real obstacles to the adoption of the principle in its entirety. Mr. Glyde saw no way out. Mr. Holden, with greater persistency, inspired probably by stronger belief, found a solution. His proposal was to provide for vacancies by electing a reserve number of members. For a House consisting of thirty members forty-five would be elected, the fifteen next in order to the chosen thirty being placed on the reserve list. This suggestion was stamped with the approval of Hare and John Stuart Mill. In a holograph letter now in my possession John Stuart Mill said:—"Mr. Holden's adaptation of the details to the peculiar

case of the Legislative Council is very judicious. The idea of making the numbers 'elastic' is very happy, and gets rid of the embarrassment of partial elections more completely and simply than any other plan."

In the election of Commonwealth Senators each State is polled as one electorate, and casual vacancies are filled by both branches of the State Parliament in the electorate in which the vacancy occurs sitting together and choosing a substitute. This method is open to the objection that should the party in power in the State at that time hold opposite views to the member whose death or retirement has caused the vacancy, the balance of parties becomes unequally affected. Moreover, while such a provision may serve in place of something better for triennial Parliaments, for one that is elected for seven years it is open to serious objection. Better the suggestion advocated by the Effective Voting League of South Australia, either to poll the whole electorate for a bye-election, as is done in Tasmania, or by keeping all ballot-papers till the close of a Parliament (which in Australia is elected for three years), allow the further choices on the ballot-papers of the member whose seat has become vacant to be transferred for the election of a successor.

The practical politician, whose personal convenience holds precedence of the rights of electors to full and complete representation, takes exception to the large electorates that are necessary for proportional representation. But even in Australia, with our immense tracts of unoccupied territory and small and scattered population, the difficulties are not by any means insuperable, particularly in these days of extensive railways, of telegraphs, telephones and cheap printing. This was shown by the successful elections to the first Commonwealth Parliament, before the States were subdivided for the Lower House into the present single districts. The electors of South Australia, which extended from north to south of the island continent—a distance of 1,800 miles—returned seven members to the House of Representatives, and six to the Senate without any appreciable difficulty either to electors or candidates. The small electorate to which New South Wales—in common with all the other States, except South Australia, which has a system of multiple electorates without proportional representation, and Tasmania multiple electorates with the proportional system—still clings, lends itself much more readily to the politician whose strength largely comes from the votes of electors whose cows he has doctored, or whose grandmother's legs have been healed by the expenditure of a legislative sixpence on ointment. Thus, in spite of her good beginning, New South Wales has gone from

bad to worse electorally, her latest experiment in the second-ballot system of the Continent having pleased no one.

In 1900, together with Miss Spence, I spent a few weeks in New South Wales at the invitation of the then Attorney-General, Mr. B. R. Wise, endeavouring to win Parliament to the adoption of the Hare system for the first Federal elections. As, however, the elections took place in 1901, Mr. Wise's zeal for the cause went unrewarded. The time was too short to hope for success, but the seed sown during the campaign by no means fell on stony soil. A few years later a motion was introduced into the Assembly, discussed and dropped. Last year a Liberal member, Mr. Albert Bruntnall, introduced a resolution for the adoption of the principle, and since then a newspaper test election has been conducted by many prominent Liberals and others. It will probably mean the resuscitation of a League formed at the close of the 1901 campaign with Sir William McMillan as president. Proportional Representation is a foremost plank on the Free Trade Association of the State, and has been on several agenda papers at labour conferences.

The earliest practical recognition of the Single Transferable Vote came from Tasmania in 1897. But the first application of the system in Tasmania had but a limited application. It was used only in the two cities of Hobart and Launceston, a fact which contributed to its temporary withdrawal. It was naturally easier to sacrifice the interests of the city electors than to convince the holders of safe single seats in the country of the advantages of proportional representation, and for the sake of uniformity the cities were, for the time being, re-divided into single electorates. But the trial in the cities had made it possible to use the system for the first Federal elections in Tasmania, each State being at liberty to use the method in vogue at that period within its own borders. The gloomy forebodings that the system was too difficult for the electors were falsified by the returns, which showed in Tasmania a lower percentage of informal votes than in any other State. And still more recently, we have the report of the chief electoral officer of the State on the 1912 elections, in which the statement is made that "No administrative difficulty occurred in conducting the elections, and the scrutiny in each district was again conducted without a hitch of any kind. . . . When electors were required to make three crosses (as for the Senate) the percentage of informal ballot-papers was higher than when they were required to number candidates in the order of preference."

A glance at the percentages of informal votes will prove the accuracy of his statement. Under the block system used for

the Senate for the election of three Senators on each occasion, the informal votes have numbered 4·05 per cent. in 1903 ; 4·48 in 1906 ; 4·329 in 1910. For the State elections under proportional representation, where six members are elected in each district, and at least three choices are compulsory, the percentages of informal votes were 2·86 in 1909 and 2·85 in 1912. And this in spite of the fact that between the elections of 1909 and 1912 the number of voters had increased 51 per cent. Similarly, in the counting of the votes, either the pessimistic prognostications that returning officers were proverbially incapable of such complicated counting involving the distribution of fractional surpluses were unwarranted, or Tasmania is exceptionally blessed with skilled and capable electoral officers. "What would you do," asked a perturbed elector at one of my meetings, "if the returning officer did not understand the system?" "He wouldn't be there," rapped out my chairman—a jovial Catholic priest—to the delight of the audience before I could rise to reply.

To the late Sir Edward Braddon, many years Premier of Tasmania, and afterwards one of the representatives of his State in the Federal House, is due the first introduction of proportional representation in Tasmania. The rearrangement of the electoral boundaries after Federation, accomplished in 1901, created the opportunity for his successors, Mr. W. B. Propsting and Sir Elliott Lewis, to re-establish the system in Tasmania in 1907. The elections of 1909 delighted everybody. Again in 1912 the system was eminently successful, although rumblings of discontent came from Conservatives, who talked wildly of repeal. But although there is little danger of that course being followed, the Act will probably be amended to replace the present six-membered districts by either five or seven-member electorates. With an even number of members parties are either evenly balanced with two and two or three and three, or a majority becomes excessively represented by three to one or four to two. By adopting uneven electorates the more equitable result of four to three in a seven-member district, or three to two in a five-member district will follow, and a better working majority is likely to be obtained in Parliament.

The power of the people under proportional representation was well illustrated in the recent election in Tasmania which followed the dissolution brought about through the extraordinary conduct of an Independent who held the balance of power, and scandalously misused his authority. The Premier (Mr. Solomon) appealed to the electors to be freed from the insurgent member. The electors did all Mr. Solomon asked. They did more. Several Labour oppositionists who had shown a too-ready willingness

to help in harassing the Government, were replaced by other members of their party as a warning, probably, that they should remember that members are sent to Parliament to transact the business of the country, and not to intrigue for personal or party gains. It is satisfactory to note the Premier's significant reference to the stability of government that had resulted from the adoption of proportional representation.

Victoria has made little progress in the reform. In 1900 a Bill was introduced into the Victoria Assembly by Mr. (now Sir Robert) Best, Sir George Turner, and Mr. Alfred Deakin for the application of preferential voting in single electorates, and the adoption of proportional representation where more than one was to be elected. The Bill also covered the first Federal elections. Both Sir George Turner and Mr. Deakin were afterwards members of the first Commonwealth Government, under the premiership of Sir Edmund Barton, which sought to apply proportional representation to Senate elections. Professor Nanson, of the Melbourne University, has done yeoman service in the cause of electoral reform. Whether it is, as sometimes stated, that the arithmetical and mathematical perfection of the Single Transferable Vote alone appeals to the professor, the fact remains that no one who has read his many able treatises on the subject can fail to recognise that his zeal for the cause arises from a combination that has given him the brain of the just thinker, the heart of the earnest reformer, and the soul of the generous antagonist. The women of Victoria have taken up the reform systematically, most of their political platforms containing a reference to the necessity for the adoption of proportional representation. There also the Free Trade Association supports it. The preferential note adopted a year or two ago may, through its own defects, as in Western Australia it is doing, prove a stepping-stone to the more just and equitable system of voting in large electorates. The thinking process at any rate began with the recognition that some change was necessary from old electoral methods.

Western Australia used the preferential vote for the first time in 1906. Although considered an improvement on single electorates in their crudest form, the system has not been a success. Without making a choice for every candidate compulsory where more than two candidates contest a seat, a minority was still able to defeat the majority. In three districts at the first election this result happened—44 per cent. of the voters elected three members, 56 per cent. were disfranchised. Leading men of all parties were dissatisfied, and the system was patched up by making a choice for every candi-

date compulsory, as in Victoria. It is a curious anomaly in the mental make-up of the advocate of preferential voting that, while he claims to be a supporter of majority rule, he has such an extraordinary idea as to the constitution of a majority. Liberals must vote for Labour, he says, Labour for Liberals, both for Independents, and Independents for both. The preferential voting advocates ignore the fact that Labour does not wish to be represented by a Liberal nor a Liberal by Labour. To be compelled by law to make a choice for a man who can only misrepresent him, in order that his opponent may appear to have a majority in his favour is particularly hard on the elector. The injustice was well illustrated in the last Victorian elections, where a temperance voter was confronted with a choice between a temperance advocate, a retired publican and an active brewer. Had he followed his inclination, and voted only for the temperance advocate he would have rendered his vote informal, and in the choice of evils he marked the publican second and the brewer third. As he afterwards complained, not only had he been disfranchised, but the law had compelled him to help in the misrepresentation of his own views in Parliament. During the Tasmanian elections of 1909, when proportional representation was first carried out in its entirety, the then West Australian Government sent the Chief Electoral Officer of the State, Mr. E. G. Stenberg, a most able and efficient expert, to watch the Single Transferable Vote in practice. He returned a complete convert to the system, and has since issued one of the most concise and valuable treatises on electoral methods that has yet appeared. In 1912 Mr. D. G. Gawler, was successful in carrying a resolution for the application of the principle through the Legislative Council of the Western State. Mr. Gawler, a prominent Liberal, was ably supported by other Liberals who are equally dissatisfied with the results of the preferential vote in single electorates. The Labour Government immediately introduced a machinery Bill to give effect to the motion. The Bill passed the Upper House, but was among the "slaughtered innocents" at the close of the session. The Premier of Western Australia, Mr. John Scaddan, is a pronounced supporter and advocate of the Hare system, and his speech on the subject when opposing the notorious jerry-mandering Bill of the Wilson Government a year or two ago influenced many other members to inquire into the system. Honest inquiry is all proportionists desire. When that stage is reached the system itself is its best advocate.

South Australia, the home of Catherine Helen Spence, the doyen of proportionalists, has woefully lagged behind in legislative action, although probably in no other part

of the world has the propaganda work been more consistent and persistent. But here the reform has been the victim of its main virtue, which is to render electoral justice to all parties. If a scheme could be propounded by which one or the other party could be confident of gaining perennial privileges, it would be certain of whole-hearted support from that party. Equal electoral justice and certainty of representation take all the sting out of an electoral contest. Party leaders and party organisers—the creation of a great army of which is the most dangerous element of the two-party system—and, above all, the party “hangers-on,” who hope to get a seat under the wing of a party, that would be hopeless as a reward of merit, prefer a system of voting that will enable them to score off the other side. Most of the time during an election is spent in tickling the ears of the multitude with spicy accounts of the doings of the opposite party. An appeal to vested interests, a promise to raise wages, the highest bid to insurgent minorities, under the present system of voting, may make or unmake ministries. But proportionate representation renders the “swing of the pendulum” and erratic minorities powerless. A party must present, under that system, a policy that will appeal to the intelligent, the educated, and the thoughtful voter to win on the first choice of the best people. It will be the new generation of politicians, men who have not been steeped in the traditions of parties and in faction fights, who will realise and act up to this doctrine in the future.

In South Australia proportional representation is known as effective voting. We have found that a title which denotes the act of voting appeals much more readily to the average elector than one relating to representation—a subject, unfortunately, too little understood even by the professional politician. In season and out, for upwards of half a century, Miss Spence advocated effective voting. In many other parts of the world as well as here, the system is known as the Hare-Spence system of effective voting, Miss Spence's claim to recognition in that title resting on her suggestion to modify Hare's original plan by dividing the country into manageable districts. Mr. Justice Clark in Tasmania was responsible for an improvement in the method of surplus distribution in the first application of effective voting in that State, and it is there called the “Hare-Clark method.” The fractional distribution of the surplus, however, which is now used in Tasmania and advocated elsewhere in the Commonwealth, was the suggestion of Professor Gregory, then of Melbourne University. Personally, I prefer to call the reform simply the Hare method of voting, or the Single Transferable vote. Although Miss Spence began her

advocacy in 1859 the Effective Voting League was not formed until 1895, with Miss Spence as president, a position she occupied until her death in 1910. The following year the honorary secretaryship devolved on me, and the active work of the association has gone on unceasingly.

It is the boast of our League that during the eighteen years of its existence not one penny has been spent in salaries. Expenditure is limited to postage, printing and advertising, and considering the vigour and extent of the work of the League, has been amazingly small. Of course, we have been greatly helped by the Press, the whole metropolitan section of which is strong in its advocacy. The same holds good with regard to the Press of Western Australia, and until recently of the Tasmanian Press. In our own State it was the *Register* which stimulated public interest for the first time in the movement by conducting a test election through its columns. That was probably the first newspaper ballot in the world for the purpose. Now they are of frequent occurrence.

After Mr. Glyde's attempt in 1860 no further Parliamentary action was taken until 1897, when Mr. P. McM. Glynn introduced a motion in favour of the principle into the Assembly. Later on Mr. D. W. Charleston carried a motion for the application of effective voting to the first Federal elections through the Council. But the opposition was led by the late Mr. C. C. Kingston, who had previously declined to act upon a telegraphed suggestion of Miss Spence to include a provision in the Federal Enabling Bill, then under consideration at Hobart, for elections to the Federal Convention to be conducted by means of effective voting. In 1897 Miss Spence herself became a candidate to the Convention, and received upwards of 7,000 votes. In 1902 Mr. Joseph (now Senator) Vardon introduced the first Bill for proportional representation into the Legislative Council of this State. After Federation had been achieved, it was decided to reduce the number of members in the two State Houses. Hitherto the Assembly had consisted of fifty-two members elected in two-member districts, and the Council of twenty-four members returned from four districts. These were reduced to forty and eighteen members respectively. For the Assembly the districts were grouped into three, four, and five member districts. Proportionalists would have preferred larger districts all round, but, deciding to accept the line of least resistance, the Bill was prepared to apply to existing boundaries.

For years the battle has waged over its application to these districts, the Labour Party taking the view that a redistribution of seats was first necessary, and suggesting an amendment for the adoption of the seven districts into which the State is divided

for Federal elections as a basis for Assembly elections. On those lines the last September Labour Conference carried a resolution in favour of effective voting. Mr. Vardon carried the Bill through to the third reading, when it was defeated. Then it was introduced session after session by Messrs. Coombe and Duncan. Both these gentlemen are now out of the House, and another Liberal (Mr. Angus Parsons) took charge of the Bill. His clever advocacy in 1912 was apparently resented by his Liberal colleagues, who, after playing with the system for years while they had remained a minority, had no scruples about sacrificing it as soon as they felt they were strong enough to do without it. On the call of the Premier it was defeated without discussion, a course that was condemned by every section of the Press. Then a Labour member, Mr. J. H. Vaughan, essayed to take it through the Council. But the stormiest debate of the session took place over its entry. Opponents complained that it was an insult to the dignity of the Council to have an Assembly "reject" placed before so august a tribunal. But the President, Sir Lancelot Stirling, overruled the objections, and the measure reached the second-reading stage. Its final rejection by one vote resulted from the action of a Labour member, who was so grieved at the indignity his colleague was endeavouring to thrust upon the Council that he was compelled by conscience to move the previous question.

Thus were pledged supporters of the Bill, who made a majority, but some of whom were doing their utmost to prevent the Bill being carried, permitted to salve their political consciences by keeping their pledges and voting for a measure that was bound to be beaten. To the unbiassed onlooker the comic element appealed strongly. Here was a member of the Labour Party, whose mission in life is to abolish the Council, causing the rejection of a measure he presumably supported, just to save the dignity of the Council. That same member had already voted in favour of the admission of the Bill, when its entry was opposed on the very ground he afterwards took when he moved the previous question, and he had also supported the first reading. Verily it is easier for the camel to go through the needle's eye than for a reform to pass through a Parliament of practised politicians under the two-party system. In the meantime the reform is growing rapidly, the latest evidence of which is its adoption in January last by the Liberal Women's Conference in Perth, Western Australia.

For the Federal elections * concerted action will be taken by the various States. Last year Senator Vardon's amendment to

* This article was written and in type before the Federal elections took place.

the Federal Electoral Bill was ruled out of order. Now the movement will be extended to embrace the House of Representative elections as well as those for the Senate, to which Mr. Vardon's amendment was limited. At the recent Science Congress in Melbourne Mr. F. W. Barford, of the Commonwealth Statistical Bureau, read a paper on effective voting in which he advocated the substitution of thirteen large electorates for the seventy-five single electorates at present in existence, eight of which would elect five members each, and five of them seven members each; Tasmania and Western Australia with five members each and South Australia with seven members would then each be polled as one electorate, as they are for the Senate. The paper suggested that "a strong expression of public opinion might induce the Federal Government to take action in the matter, for which the present time was most opportune." The suggestion will not be overlooked when proportionalists are considering a Federal plan of campaign.

Meanwhile we are hopeful that our cause will triumph before very long in this State and in Western Australia. Then it will be simply a matter of time for the Eastern States and the Commonwealth to follow on. Electoral reform is everywhere a burning question, and when it comes to methods no other proposal—to use an Australian colloquialism—can come within "cooee" of proportional representation.

JEANNE F. YOUNG.

THE PARTY SYSTEM

BY H. DOUGLAS GREGORY

As political freedom increases, government tends to organise itself ever more and more on party lines. This is largely inevitable. As I shall attempt to show in the course of the present article, stability of government, under a liberal constitution, is only possible where some degree of organisation prevails in the popular assembly—the assembly wielding the power of the State.

Mankind, broadly speaking, is divided into two great classes—the cautious and the impulsive; those of conservative inclinations, and those of radical, experimental predilections. These two main classes almost coalesce in the person of the average individual, and from this centre shade away into extremes wide as the poles asunder. So long as these petty sections war amongst each other, there is no continuity, no firmness of government; it is only when experience teaches the advisability of union in the case of those animated by a central conviction that real steadiness and strength of purpose is attained.

This is a condition which it takes time to establish. Constitutional government is usually founded by means of a crisis—the culminating point in an era of conflict, sometimes short, sometimes long and obstinate. This crisis inevitably produces two great parties, composed respectively of men who temporarily sink their differences in order to preserve the existing polity, and of their opponents who similarly combine with a view to gaining the great central ideal animating their actions and opinions. That ideal won, a reaction occurs; the bonds are snapped asunder; the parties break up into their constituent elements.

Then follows, in consequence, a period of chaos, more or less pronounced. Governments rise and fall almost in the moment of their creation; intrigue is rife; the arm of the executive is weak; irresponsibility and petty faction reign supreme in the popular assembly.

These features are prominently seen in English constitutional history. The struggle with the Crown during the first half of the seventeenth century produced two sharply defined parties,

but on the Restoration Party government was relaxed to some extent. With the exception of Lord Clarendon's administration the reign of Charles II. witnessed a period of chaos in ministerial responsibility. The House of Commons was slowly but steadily increasing its power over the executive, but ministers were still nominated from purely personal considerations, and were wholly lacking in all sense of union. Individually they were frequently strongly opposed to each other. Consequently there was no firmness and continuity of purpose in the executive as represented by the various officers of State. In fact opposition bred distrust, and distrust intrigue. The government was weak, but for the central and guiding influence of the Crown.

The Court Party was divided. The crisis, however, with which the country was faced during the latter years of Charles II.'s reign owing to the insidious policy of the King led to the re-creation of the Parliamentary Party, and to the infusion within its ranks of a strong sense of discipline and unity of purpose. This party grew in power and influence during the short reign of James II., and the crisis culminated in the Revolution. Then came the reaction of which I have spoken. Popular liberty had been firmly established by the change in the succession and the Declaration of Rights. The controlling power of Parliament over the executive had been recognised. The responsibility of ministers to Parliament came as a natural corollary.

Under the influence of success, the Whig party underwent to a certain extent a process of disintegration. The bonds of discipline were relaxed. The extremists drifted apart from the main body, and formed a factious clique, intent on combating ministers on every possible occasion, on the principle that authority can do nothing that is right. For this purpose, they were by no means averse at times to joining with the extremists on the other side—the High Tories. In a House of Commons thus disorganised, ministerial authority would in any event have been weak. That weakness was increased by a perpetuation of the principle obtaining in the Cabinets of Charles II.—the appointment of politicians to the various offices of State, wholly irrespective of community of opinion. This mistake was committed for two reasons—the desire of the Crown to conciliate both Whigs and Tories, and ignorance of the principles of Cabinet Government. This composite ministry led to ceaseless intrigue, and proved wholly incompatible with executive authority. Reluctantly the King was compelled to relinquish the theory of coalition government, and to entrust the administration to statesmen united by a strong community of purpose. The doctrine of the responsibility of ministers to each other and *collectively* to Parliament was thus first introduced.

Although this principle was first put into operation at the close of the seventeenth century, it was not finally established beyond dispute and in all its fulness until the early years of the nineteenth century. The Revolution had rendered Parliament the dominant power in the State, but it had left the Crown with considerable executive authority. The sovereign, therefore, claimed a very real voice in the nomination of ministers, and down to the death of George IV. there are frequent instances of interference of this nature. George II.'s resolute refusal to authorise Pitt's accession to the Cabinet, and George III.'s nomination of Lord Bute to ministerial office in spite of the opposition of the same statesman and his colleagues are prominent examples. As a consequence, ministerial authority throughout the eighteenth century was weak, and government was apt to be unstable, except when the Prime Minister was a man of the outstanding ability of Walpole or of Pitt. But even the former with all his power was unable to withstand the temporary ill-will of George II.; he fell without a struggle, and had the King possessed an adviser of ability, it is very doubtful whether he would have regained office; and Pitt, with all the prestige of a successful war, had to endure the indignity of an unwelcome colleague being forced upon him.

Now the direct consequence of this ministerial weakness was the growth of an immense system of patronage and corruption in the House of Commons. The foundations of this evil were laid by Danby during Charles II.'s reign. He realised that he had no dependable body of support in the Commons, and set about to purchase it. The continuation of the lack of ministerial authority and of any organisation in the House led to an extension of this system of venality, until it was erected into a fine art under Walpole and his successors. Add to this the fact that seats in the House were bought and sold, and that a large majority of the members were nominees of the aristocracy, and we have a picture of disreputable tyranny equalling in its stringency the party system of to-day; far less honourable, and productive, moreover, of vacillation and weakness in the executive.

The political corruption of the eighteenth century is often referred to as due to the low morality of the period. Undoubtedly the deadness of religious life would intensify the evil, but it was not the cause of it. The cause lay in the weakness of the executive body, due to the lack of party organisation in the House of Commons. As that organisation developed corruption declined, and ministerial authority became more stable.

I have referred to this era of our constitutional history at some length, in order to show the necessity of some degree of party organisation in a free State. Where party ties are weak, there

is a great tendency towards corruption, and a certainty that the powers of the executive will be ill-sustained and vacillating.

Modern Party Government dates only from the passage of the Reform Bill in 1832. Even so late as George IV.'s reign, we find the Crown interfering constantly and decisively in the administration of patronage, and also exercising much direct influence, not only in the composition of the Cabinet, but also in the policy of Ministers. The Reform Bill rendered the House of Commons the supreme power in the State, and furthermore strengthened the basis of the Party system by annihilating the responsibility of members to the aristocracy, and making them solely answerable to the electors. The full extent of the revolution effected was revealed in 1834 when William IV. ventured to exercise his prerogative by dismissing his Whig Ministers. The altered spirit of the times was shown by the return of the Whig Cabinet, although with a decreased majority, at the ensuing election. Had the King exerted his authority in this manner under the old *régime*, probably his action would have been supported.

The Party system now developed gradually in the direction which it has assumed to-day. Ordinarily, Ministers could depend on a steady majority in the House of Commons, although there was much more freedom of action on the part of the private member, and consequently sudden crises were far more frequent than at the present time. Members were pledged to a central ideal; they reserved to themselves full liberty of action on matters of detail. Party ties have undoubtedly become much more stringent during the past forty years.

Before, however, passing on to a consideration of the causes of this development, I wish briefly to refer to the political characteristics of the years 1846-1859. The history of that period is one more confirmation of the argument I have previously advanced—i.e. that a reasonable degree of Party organisation is essential to firm and consistent government in a free State. During those thirteen years the Party system was in a state of chaos. Peel's action on the Corn Law question had split his Party into two sections. The Protectionists rallied under the banner of Lord Derby and Disraeli. The extraordinary evolutions of that body, however, not only on the subject of Free Trade, but also on that of Reform, rendered them somewhat discredited in the country.

As time went on, the Peelites themselves, to a certain extent, showed signs of disintegration. They remained for a long time a semi-neutral body, but gradually the majority became merged in the Liberal Party. A small section, however, eventually returned to the Conservative fold. Gladstone himself, it will be remembered, caused much trouble and perturbation to his friends by leaning for some considerable time towards that course. But the

Liberal Party was almost as much disorganised as its opponents. The Radicals under Cobden and Bright formed one distinct section ; the followers of Lord John Russell formed another, and those of Lord Palmerston a third. The last two sections acted together, but throughout the period there was a considerable amount of distrust between them. There were thus five distinct sections in the House of Commons during those thirteen years, and no fewer than five separate administrations—a striking example of the weakness to be found in the executive during a time of Party disorganisation.

At the close of this period Party government reassumed its normal course. There has been, however, since that day a growing despotism on the part of the Cabinet, until at the present time this tyranny is so extreme as to constitute a positive danger to the State. The main features of modern Parliamentary practice are notorious—a relentless and overburdened ministerial programme ; a consequent virtual abolition of facilities for private members' Bills ; a suppression of debate by means of the Closure ; the extinction of freedom of vote under the iron tyranny of the Whips ; the refusal on the part of Ministers (be they Liberal or Conservative) to entertain any but comparatively unimportant amendments to Government Bills, and their threat of resignation should such amendments be carried.

In consequence, laws are placed upon the Statute Book without adequate consideration, and therefore in lamentably defective form. Evils are not remedied, but rather are rendered more obstinate and malignant. The State is overburdened with a plethora of ill-contrived legislation. And further, the inexorable mechanism of the Party machine must tend to drive men of character and individuality out of the House. We are speedily arriving at a condition of affairs when a body of animated turnips, under the control of the enlightened and infallible gentlemen of the Cabinet, would satisfactorily discharge the duties required of the legislator in the House of Commons. Thinkers are not wanted ; mere Party hacks are greatly in demand. This must render the legislature still less capable of grappling successfully with great and intricate problems.

What are the causes of this unsatisfactory development of Party Government ? I think they are mainly two—the complexity of the modern social system, and the growth of demagogism. The Industrial Revolution led to the creation of numerous and intricate problems, requiring far more frequent and elaborate legislation than in the past was necessary. This legislation has mainly, and on the whole rightly, devolved upon Government rather than upon private members, and consequently the time at the disposal of members has inevitably narrowed. But Govern-

ment programmes have become unduly inflated owing to the rise of demagogism. The working-class vote has become predominant in the country, and to win that vote rival politicians are prepared to outbid each other. I do not wish to hurt the feelings of anyone who thinks the Conservative party to be the incarnation of every virtue, but the unpleasant fact must be told that demagogues, just as unprincipled and as dangerous as those to be found in the Radical host, are numbered in its ranks. Only they speak a different language, and they hold out a more respectable bait. In consequence of this unfortunate development, Government programmes, already, owing to the difficulty of the times, necessarily heavy, have become intolerably burdensome—so burdensome in fact that they could never be carried were full and free discussion permitted. Hence we have the explanation of the Closure. This institution is, I think, largely responsible for the other features of the modern Party system. Stringent limitation of discussion, with refusal to entertain amendments, is a very good foundation upon which to lay a tyranny. As the Closure has advanced so have the other unfavourable aspects of Party Government.

Now this is an evil which must be met. Many people consider that the primary remedy lies in a thorough reform of our representation. It is notorious that electoral areas are most unequal at the present day, and in consequence that many localities are over-represented. It is also urged that a system which involves the non-representation of minorities is unsatisfactory. The remedy proposed is Proportional Representation. This reform has much to recommend it, inasmuch as it would effectually ensure both the adequate representation of minorities and the equal representation of each separate locality. It has, however, in my opinion, one dangerous objection—it would tend to split up the Party system entirely, and replace it by a system of groups. Apparently under such a scheme the number of candidates seeking election would tend to increase, and I think there would be a danger of too many men of highly original ideas—men with crotchets—being returned. Idealists in moderation exercise an ennobling influence on national life, but if they are allowed to obtain an important position in the House of Commons, not only shall we see some strange freaks in the way of legislation,* but

* There is an essential difference between the idealist and the practical thinker. The former dreams ever of an Utopia, and must therefore prove mischievous if he be given an opportunity of attempting to execute his vision. To be valuable his realm must be confined to the world of theory. Only in that capacity can he give a beneficial stimulus to national activity. The practical thinker, on the other hand, is controlled by a strict regard for that which is attainable, and in consequence possesses far greater powers of acting in concert with others for the achievement of a given end. His presence in the House of Commons is therefore compatible with the Party system, and, in fact, as I have urged before, is eminently desirable.

also, as I have urged, the Party system will utterly vanish, and we shall enter upon a fresh era of weakness on the part of the executive. A weak executive, especially in a time of crisis, is a national evil, and can quite easily become a national danger.

This question of unequal representation can, I think, be satisfactorily met by the institution of equal electoral areas. It seems to me that a Redistribution Act should be passed on the basis of the existing population. After the completion of each census, the Act should be modified as circumstances demanded, and the revised measure would hold good for the following ten years. Such a procedure regularly applied would destroy the existing inequalities in representation.

It would in addition indirectly touch the question of the non-representation of minorities. Where constituencies were strictly formed on the basis of population, a minority in one division would be cancelled by a minority of different political opinion in another. Broadly speaking, a minority in one area would be represented by a majority in another. The evil of non-representation, under such circumstances, would be almost negligible.

Another remedy proposed is the institution of a Business Government. It is rather difficult to understand what the votaries of this system advocate under the somewhat vague term employed, but sufficient is revealed to show that this reform would strike at the root of Party Government. Now, I think I have shown in sufficient detail that, under representative institutions, Party Government is essential to firmness and continuity of conduct in the executive. We have to seek a remedy to destroy the excesses of the system; not a constitutional revolution which will place the country under a totally different *régime*.

Let us, however, consider the suggested reform in detail. Briefly expressed, the proposal, as I understand it, is to place experts at the head of each department. The Cabinet would continue to exist, and would continue to remain responsible to Parliament, but instead of being composed solely of members of one political party, would contain members holding various political opinions—the one criterion of their appointment being expert knowledge. Further—an important innovation—presumably the members would hold office “during good behaviour.” I have seen no pronouncement on this point, but the great test of fitness being expert knowledge, it appears to me that some such regulation would have to be in force, since the supply of experts is necessarily limited.

How is such a system as this compatible with the corner-stone of our constitutional practice—the omnipotence of Parliament? First, consider the relations of the members of the Cabinet amongst themselves. Experts are only human beings, and,

moreover, human beings with, as a rule, very strong and dogmatic opinions, not only on their own subjects, but also on subjects of general interest. Experts notoriously differ on political and quasi-political questions. Imagine an expert of the temperament and opinions of the late Mr. Gladstone as Chancellor of the Exchequer, and an eminent soldier, with Lord Roberts' views, as Minister for War. What unity of purpose, what harmoniousness of opinion would reign in a Cabinet with two such members! Or, assume an eminent judge of strong ultra-conservative opinions as Lord Chancellor, and an ardent Radical diplomatist as Foreign Secretary. Such a Cabinet would be torn asunder with political faction; distrust would animate its members; there could, under such circumstances, be no continuity and firmness of policy.

But it may be suggested that a Cabinet of experts should have its duties confined to executive functions. What body then is to frame the laws of the country, and direct its external policy? The House of Commons would be manifestly unfit for such duties. Its size would render it incapable of efficient action in either direction. There must be a small, inner committee for deliberative purposes. The direction of policy must be confided to the Cabinet, and in the hands of a Cabinet composed of experts because they are experts it must, as I hope I have shown, prove utterly vacillating.

Secondly, what would be the relations between this Cabinet of experts and the House of Commons? It must be remembered that apparently Ministers would hold office during good behaviour. In other words, apparently the two Houses of Parliament would have to accept Ministerial proposals. The rights of discussion would remain, and amendments could be proposed in the form of suggestions, which could be entertained or refused by Ministers as they pleased. Only in the event of Ministers proving incapable would it be competent for Parliament to present an address to the Crown for their dismissal.* To take an example. Assume that the present Insurance Act had been brought forward by such a Cabinet. Parliament could not have negatived the Bill; it could only have made suggestions, which in this instance we may suppose to have been only very partially adopted by Ministers. The Bill became law, and proved most unsatisfactory in its operation. Then and then only would it be competent for Parliament decisively to interfere by means of an address petitioning the King to dismiss the Cabinet. In other words, the legislature becomes mainly advisory; representative institutions are

* Private members would still apparently retain the right of bringing forward Bills, which would duly become law, assuming that Ministers were prepared to grant facilities for discussion, and that a majority could be obtained for the proposals in both Houses.

revolutionised by the creation of a bureaucracy. Experts are to devise and carry into operation laws of which a majority of the members of the House of Commons may profoundly disapprove. Thus laws may be passed against the will of the popular representatives, and may prove disastrous failures—for experts are liable to mistakes like other people—and the only remedy left is dismissal of the Ministers responsible; dismissal after the injury has been inflicted.

As I have previously urged, it is very doubtful whether such a Cabinet, owing to internal dissensions, would be able to bring forward any proposals of first-class importance. Unfortunately, we are faced at the present time with an industrial and social crisis which renders imperative legislative action wide in scope. A policy of *laissez-faire*, embittered by fierce internal dissension on the part of the executive, would be disastrous. Not only would no remedy for the evils under which we are suffering be obtained, but existing laws would frequently be inconsistently and ineffectively administered, owing to Cabinet disputes.

The project of a "Business Government" is an Utopian idea, which I am convinced, in a democratic country, would prove a hideous fiasco. Only would it be applicable in the case of a benevolent despotism, where the supreme authority of the State is lodged in the hands of the monarch, to whom these expert advisers would be strictly subordinate. In such a case this Council would be purely advisory, and the differences of its members would be moderated by the one absolute power. But, under a constitutional monarchy, there is no such moderating authority possible, for the simple reason that Parliament is too cumbersome a body to retain in its own hands the initiatory processes of legislation and administration. It can only act through the Cabinet, and therefore the Cabinet must be composed of men united by a common aim and purpose, and possessing the confidence of the House of Commons. This is only possible under the Party system.

In my opinion the remedy for the excesses of Party Government is not to be found in any one measure. It can only be attained by a series of reforms. I believe that much might be accomplished by certain alterations in the procedure of the House of Commons. Firstly, I should advocate the introduction of Lord Hugh Cecil's suggestion—vote by ballot in the House. This would much weaken the tyranny of the Whips, whilst it would not relax Party ties to such an extent as to overthrow the Party system. The average member is strongly attached to the main principles of one or other of the great political Parties, and he would certainly support any Government conforming to those principles. This reform would, however, go far to restore liberty

of action to the private member on questions of detail, and would therefore render the Cabinet much more open to reason in the discussion of Ministerial proposals in Committee. Legislation would, in consequence, become less partisan, and as a result more mature in its form.

It may be objected that the introduction of the ballot would weaken the responsibility of the member to his constituency. There is, I think, a distinct danger of this in a paid House of Commons, because the salary in course of time must tend to attract the unprincipled demagogue, and I do not think this class of gentleman can be trusted honourably to observe his obligations to his constituents. But, inasmuch as this demagogic element is practically negligible in a House elected on the purely voluntary principle, I do not think this is a serious danger, should paid membership be abolished. I should therefore regard this step as a necessary preliminary to the institution of the ballot.

The introduction of the ballot would restore freedom of action to the private member. But the present drastic limitation of discussion is an evil which requires attention. I think the retention of the Closure is necessary as a weapon to deal with organised obstruction. It certainly, however, should be very considerably limited in its use, and in fact should be reserved solely for employment in the contingency I have mentioned. In order to attain this end, it seems to me that the Closure should be taken out of the hands of the Cabinet and entrusted to the Speaker. He should only grant the Ministry power to apply this weapon when he felt satisfied that wilful obstruction was being practised. This authority could not safely have been granted in the days when the Speaker was a strong Party man, but at the present time, when the occupant of the chair is chosen for his impartiality, I think there would be little danger of the confidence being abused. This arrangement would restore legitimate freedom of discussion, and provide a remedy when that freedom was being improperly exercised.

An additional guarantee against abuse might also be provided by placing a time limit on individual speeches, except in the case of speeches made on behalf of the Government or the Opposition in opening or closing a debate. Under such an arrangement, ample facilities for legitimate criticism and discussion would exist, whilst, at the same time, reasonable despatch for public business would be ensured. Owing to the stress and complexity of modern legislation such a requirement would, on the abolition of the Closure except in cases of emergency, be highly necessary. The limitation of ordinary speeches to half-an-hour would in no way trench upon adequacy of discussion, whilst it would prevent waste of time in the conduct of public questions.

But, in order to complete the reform, a wide measure of devolution to local authorities throughout the United Kingdom would be desirable. The House of Commons at present has to deal with much unimportant business of a purely local nature, and this is one cause of that congestion which has proved a ready excuse for the Closure. It is absurd that Parliamentary sanction should be required for such purely local matters as a drainage or lighting scheme, or a light railway. These and similar questions should be left to the County Councils for decision. In addition to relieving to a considerable extent the present Parliamentary congestion, such a reform would possess the great advantage of largely reducing local rates, since the legal fees at present required would be no longer necessary. Thus a measure of devolution would be of benefit in every respect.

Finally, it is desirable, if possible, to restrict the growth of demagogism. This political vice, as already stated, is largely responsible for the excesses of Party Government. The abolition of payment of members, as suggested, would do much to uproot the evil, but further measures are necessary. It seems to me that the prohibition of canvassing at elections, and of the right to carry the electors to the polls, would be salutary reforms in this direction. If a man has not sufficient interest in political matters to vote without being in the first instance canvassed, and then driven to the polling booth in a motor car, his convictions are so paltry, so non-existent, that he has no right to exercise an influence on national affairs. I am convinced that the abolition of these two practices would enormously curtail the influence of the ignorant vote, and consequently deal a death-blow to demagogism in this country.

The reforms outlined would effectively remedy the excesses of the Party system without causing its overthrow. As I have endeavoured to show, that system is essential to firm and consistent government under a constitutional monarchy, and its retention in a moderate form is, therefore, of the highest national importance. Further, these reforms do not seriously depart from the spirit of our constitutional practice, whereas both Proportional Representation and the institution of a "Business Government" involve revolutionary innovations. Wherever possible reform is to be preferred to revolution, since thereby greater stability of government, and consequently more sustained progress, is ensured. In fact, unless an existing institution can be shown to be so harmful as to be without remedy, in my opinion, its abolition is never justified. In the present instance, the advocates of revolution have not, I think, proved their case.

H. DOUGLAS GREGORY.

AUSTRALIAN RAILWAYS AND FUTURE DEVELOPMENTS

(Continued from p. 21.)

By PROFESSOR T. HUDSON BEARE, B.A. (*Adelaide*),
B.Sc. (*Lond.*), M. INST. C.E.

SOUTH AUSTRALIA.

THE first line of railway constructed in South Australia was a horse-tramline from Goolwa, on the Murray river to Port Elliott, opened May 18th, 1854, six miles forty-six chains in length. The mouth of the Murray is obstructed by shifting sand-bars, and the tramline was to overcome that difficulty. Goods were landed from river boats at Goolwa, and taken by the tramlines to Port Elliott, on the coast, where they could be loaded into seagoing vessels. The first steam locomotive line was the short track, seven miles thirty-four chains in length, connecting the capital, Adelaide, with its seaport, Port Adelaide. This line was opened on April 21st, 1856. The gauge adopted was the same as that selected by Victoria, which began railway construction in 1854—namely, 5 ft. 3 in.—and this gauge was adhered to for many years. But eventually, mainly with the object of reducing capital charges, it was decided to construct all new lines in the then recently opened northern wheat-growing areas on the 3 ft. 6 in. gauge. The result of this unfortunate decision is that this State suffers all the inconvenience and annoyance of a break of gauge at two important stations—Terowie and Hamley Bridge—within its own borders. The total mileage open on June 30th, 1912, was 1,461 miles 33 chains, of which length 626½ miles is on the broad gauge (5 ft. 3 in.) and 835 miles on the narrow gauge (3 ft. 6 in.).

The broad gauge extends northwards as far as Terowie, with branches from Gawler to Morgan, at the great bend on the River Murray, and to Augaston, a flourishing little town in the midst

of vineyards and orchards ; the remainder of the northern system and all the western system are 3 ft. 6 in. lines.

The southern line, which extends to the Victorian border at Serviceton, and forms the main line to Melbourne, is on the 5 ft. 3 in. gauge. There are several important branches on the same gauge, starting from Tailem Bend, on the River Murray, and opening up the Mallee scrub-lands, which lie between the Murray, the Victorian border and the main line to Melbourne. Then, lastly, there are several isolated 3 ft. 6 in. lines serving the stretch of country around Mount Gambier, connecting with the main line to Melbourne at Wolseley, thus making a third break of gauge station. It is only fair to point out that these 3 ft. 6 in. southern lines were constructed long before the through line to Melbourne was contemplated, or they would undoubtedly have been on the 5 ft. 3 in. gauge. There has been much agitation from those living in the districts they serve to have them converted to the wider gauge.

From Port Augusta there extends northwards to Oodnadatta a 3 ft. 6 in. line, 478 miles in length, which was built as the first portion of the proposed Transcontinental line to Port Darwin. This line has been taken over by the Commonwealth Government, but is still worked by the South Australian railway authorities, under terms of a lease. The total earnings of the lines (including the leased line) for the year ending June 30th, 1912, was £2,148,502; the total working expenses were £1,363,354; the interest payable on public loans for construction purposes, etc., was £456,733; leaving a surplus revenue of £328,415 to the State. Up to the year 1888 the net revenue had failed to pay the interest on the loans for capital expenditure, and the accumulated deficit on that date was £1,770,062. Since that year, however, the annual surpluses have gradually reduced this deficit, till at the close of the last financial year it stood at only £71,596, and there is every probability that on June 30th of this year it will have been entirely wiped out.

The average cost of the 1,461 miles 33 chains at present open has been £9,059 per mile, the capital cost being £13,240,175. It may be well to point out that the construction cost per mile of line, exclusive of rolling stock, has varied from £25,779 for the Adelaide to Port Adelaide line to £1,598 for the Cummins to Yeelanna line.

The earnings for the year ending June 30th, 1912 (excluding the leased line) were distributed thus :—Passengers, £578,125; goods and minerals, £1,251,174; live stock, £94,705; miscellaneous, £166,559; giving a total of £2,090,563.

TABLE OF REVENUE AND EXPENDITURE, YEAR ENDING
JUNE 30, 1912.

Gross Revenue	£2,090,563
Working Expenses	1,293,987
Net Revenue	796,576
Percentage of Working Expenses to Gross Revenue	61·89
„ Net Revenue to Capital cost	6·02
Earnings, per mile open	£1,431
„ per train mile	83·27 <i>d</i> .
Expenses, per mile open	£986
„ per train mile	51·50 <i>d</i> .
Net Receipts, per mile open	£545
„ per train mile	31·72 <i>d</i> .

Note.—This table does not include the revenue and expenditure on the leased line Port Augusta to Oodnadatta.

WORKING EXPENSES PER TRAIN MILE.			ROLLING STOCK IN HAND.		
	Pence		Locomotives		354
Maintenance	12·06		Coaches		509
Locomotive	20·49		Wagons		7,833
Carriage and Wagon	4·66				
Traffic	12·95				
General, &c.	1·34				
Total	51·50				

The net revenue for the past ten years has varied from 3·37 to 6·02 per cent., the average being 4·8 per cent. The total number of employees is 8,569.

The following lines are under construction, and are now rapidly approaching completion :—

	Miles Chains		Gauge	
			Feet	Ins.
Tailem Bend to Brown's Well	100	0	5	3
Goodwood to Willunga	29	40	5	3
Cummins to Darkes Peak	78	0	3	6
Yeelanna to Minnipa Hill	108	0	3	6
Total	315	40		

Parliament has also sanctioned the construction of the following lines, recommended by the Royal Commission appointed to report on the Murray lands and Eyres Peninsula railways.

Murray Lands Railway.—(1) Extension of Brown's Well line to Paringa Landing on the River Murray, near the Renmark irrigation colony, a length of 41 miles, the estimated cost, inclusive of rolling-stock, being £135,750.

(2) A branch line from Karoonda siding on the Brown's Well line to Waikeris on the River Murray, a length of 74 miles, the estimated cost, inclusive of rolling stock, being £251,350.

(3) A branch line from Alawoona station on the Brown's Well line to Loxton on the River Murray, a length of 21 miles, the estimated cost, inclusive of rolling-stock, being £75,000.

(4) A branch line from Karoonda siding on the Brown's Well line to Peebinga, a length of 67 miles, the estimated cost, inclusive of rolling-stock, being £263,690.

Note.—The Tailem Bend to Pinnaroo line is also under an agreement with the Victorian Government to be extended a few miles to the Victorian border, there to connect with an extension of the Victorian line from Ouyen to Murrayville; this latter station is a few miles east of the border.

All these lines are 5 ft. 3 in. gauge; they are to have new 41 lb. rails, to be earth-boxed, and to have ruling gradients of

1 in 45. When these lines are completed, this district, which ten years ago was a vast Mallee scrub, will have 387 miles of line, and practically every square mile will be within ten miles of rail or river, this being about the limit of distance for the economical carting of wheat. How rapid has been the development of this area is attested by the fact that the five counties included in it produced over 3,000,000 bushels of wheat in the year 1910-11.

Eyres Peninsula Railways.—(1) Minnipa Hill to Dècrès Bay, a length of 109 miles, the estimated cost, inclusive of rolling-stock, being £313,980.

(2) Darkes Peak to Solomon, a length of 28 miles 40 chains, the estimated cost being, inclusive of rolling-stock, £74,850.

(3) Yeelanna to Mount Hope, a length of 23 miles 60 chains, the estimated cost, inclusive of rolling-stock, being £47,500.

The lines already constructed, or rapidly approaching completion on Eyres Peninsula, total 228 miles 38 chains in length, and have opened up over 3,000,000 acres to agriculture. The above three lines will increase the railway mileage by 162 miles 60 chains, and open up a further 1,750,000 acres to farming operations. The Royal Commission further recommended that a survey be made of a proposed line 110 miles in length, from Dècrès Bay to Fowler's Bay, near the head of the Great Australian Bight. Should this line also be authorised the total railway mileage on the Peninsula will amount to about 500 miles. The total area of Eyres Peninsula is nearly 16,000,000 acres, and about one-half of this great area is good agricultural land.

Parliament has further sanctioned the construction of a branch line in the Midland district from Riverton, a station on the northern line, to Spalding, *via* Clare, a total length of 51½ miles, on the 5 ft. 3 in. gauge, the cost not to exceed £5,000 per mile. In this State, therefore, in addition to 315 miles actually under construction, 416 miles have been sanctioned by Parliament, and 110 other miles are to be surveyed, so that there will be no slackening in the work of construction in this State for some years to come.

T. HUDSON BEARE.

(To be continued.)

THE TRANSVAAL RIOTS

RAND CLUB, *July 26, 1213.*

At the time of writing, this place has filled up with soldiers and police. There are some 3,000 soldiers and about 2,000 police. I travelled through the Potchefstroom district and found the burghers all warned and ready. It is said General Botha can get 20,000 burghers here in forty-eight hours. He is undoubtedly a strong man, but was taken unawares. It appears that the Government received their advices from sources antagonistic to the mine-owners, and at one time believed that a strike or lock-out was being engineered in order to reduce wages. This, of course, was incorrect, and did all the harm.

The pity of it all is that the feeling on the labour side is so bitter. Indeed their action was so threatening that the Government has had to make such preparation that should they again resort to disorder there will be heavy casualties. The effect of disorder has brought the Government many supporters, and the general desire and wish is that whatever the suffering a settlement must be made that will be binding and lasting; and, as deputations of Chambers and various heads of industries have pressed this, it seems certain that the determined attitude of the Government must bring about relief. It is held that the miners are heavily overpaid, and that this is the cause of a great deal of the trouble. The Labour Party have never given consideration to the grave necessity of certain mines overcoming increase of costs. Many mines here that have had millions of pounds spent on them have been worked for twenty years or more, only for the benefit of the employés; now these mines must succumb. There will be thousands of white men out of employment soon, and they will only have their short-sighted leaders to blame for it. The quarrel over insignificant trifles, that has brought about loss of life and general loss and trouble, will result in many and many a miner having to leave the country cursing the folly of these irresponsible stirrers of strife. So far, none of these gentlemen have been punished; but I feel sure the Government

cannot overlook the seditious speeches and urgent appeals for civil war uttered during the past fortnight.

The mad rush for insurance must have alarmed people in the old country. In my opinion it was stupid. If you calculate that out of 20,000 miners not 5,000 would break the law, and of those probably not 1,000 would face being shot, while every mine and station is being protected, the extraordinary risks taken should prove very profitable to Lloyd's.

Much has been made in home circles of phthisis. There is nothing in it. The precautions taken already show that the disease is diminishing, and it is only through the miners' own insistence that great numbers of whites should work in these mines that many mines are over-manned with white men. The majority of the miners here are not miners at all. They really never do anything harder than load the holes which the natives drill and charge contract prices. If a man is a timberman or any special mechanic, he gets the rate; but some of these down-trodden miners run out at over £60 a month, and never work themselves. All hard work in Africa is done by the natives, and although the whites are always clamouring to supplant him, every experiment so far has been a failure.

As regards the question of soldiers firing on the mob. After a hard afternoon's stoning, unarmed policemen were set upon at the Park Railway station by rioters with revolvers and stones; they were shot and stoned out of the station, and the mob burnt the place before their eyes; then the rioters marched down to the *Star* building and burnt that, firing on the police and soldiers. The following day, Saturday, they stoned and fired on the soldiers, killing their horses and wounding the men. It was then the soldiers fired on the mob, and who can blame them for doing so? Certainly not the people here. It is difficult to understand the opposition even of a single member of the House of Commons. But I was glad to see the Government stood firm. It was only after the rioters had broken into the Rand Club and set fire to it that the shooting occurred, and here I should like to say that the women who led the charge were spared; in any other country they would have been shot. I would refer critics of the Outhwaite type to Thiers' action during the siege of Paris, where 10,000 communists, men and women, were destroyed by cannon to restore order. Here, the general position is much worse, as 200,000 natives were looking on, and wagon loads of all kinds of dangerous instruments, such as pointed pieces of iron, hatchets and assegais were found secreted in the compounds, which might all have been used against defenceless women and children in a mad holocaust brought on by the innocent friends of Mr. Outhwaite. If soldiers are not

permitted to protect citizens' lives and property, the Government would have to get burghers to do it, as the defence army is not yet ready. Then it would be Dutch against English, and I do not suppose that would be altogether satisfactory to the party now in power at Westminster.

The economic part of the question has never been put before the men. It is estimated that some 30,000 boys are now time-expired, and that the present circumstances will see them away soon. The natives are leaving at the rate of 10,000 a month, and there will probably be a shrinkage of some 50,000 boys and 5,000 or 6,000 white men. Instead of appealing to the men's passion, would it not have been more honest if their leaders had gone into all these details, and shown them how patient European shareholders had put money into low-grade mines here, which for perhaps twenty years have been worked for the benefit and profit of the miners and the commercial element of the country. Meanwhile those shareholders have been told that with the changes of economical conditions and new mechanical appliances the day was approaching when these mines would make them a return. Now the partner that has received the greatest benefit destroys the whole fabric.

All questions of right will fade in the shadow of want and suffering, and the leaders will be cursed for not showing the men the true side of the picture. Instead of constantly dwelling on the stale wheeze of iniquitous capitalists, the duty of the leaders should have been to co-operate with the mine-owners and devise means for continuing to work the mines that inevitably must fall out as the result of recent events. Another result of these riots will be to make the Labour Party here very unpopular, and increase the support for non-Labour candidates.

W. P.

INDIAN AND COLONIAL INVESTMENTS

By TRUSTEE

ON the whole the Stock markets have enjoyed further quiet recovery from the depression they suffered in the earlier part of the summer, and investment securities have found a generally higher level. The slackening of the emission of new loans and the improvement in the monetary situation have contributed to this recovery. On the other hand, the continued unsettlement of Balkan affairs has tended to keep investors in a cautious mood, and there has been no real activity in the markets.

For the financial year ended June 30, the Canadian Pacific Railway in its preliminary statement shows that the gross earnings from railway and steamships amounted to \$139,395,699, working expenses to \$93,149,825, and net earnings to \$46,245,874. To this has to be added \$1,245,563 on account of the net earnings of the steamships in excess of the monthly reports, making a total net income of \$47,491,437 against \$44,402,691 for 1911-12. After deducting fixed charges, there is a surplus of \$36,615,085 against \$33,877,754 a year ago. A sum of \$1,000,000 is again transferred to steamship replacement account and \$125,000 to pension fund, and after payment of all dividends for the year, the undivided surplus for the year from the railway and steamship lines is \$18,310,257 against \$17,560,518 a year ago.

Encouraged by the success of its issue of £1,500,000 of 5 per cent. Five Year Secured Notes recorded last month, the Grand

INDIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
INDIA.					
3½% Stock (t) . . .	£ 91,276,210	1931	89	3½	Quarterly.
3% " (t) . . .	66,480,596	1948	76	3½	
2½% " Inscribed (t)	11,892,207	1926	64½	3½	
3½% Rupee Paper 1854-5	..	(a)	96	3½	30 June—31 Dec.
3% " " 1896-7	..	1916	81	3½	30 June—30 Dec.

(t) Eligible for Trustee investments.

(a) Redeemable at a Quarter's notice.

INDIAN RAILWAYS AND BANKS.

Title.	Subscribed.	Last year's Dividend.	Share or Stock.	Price.	Yield.
RAILWAYS.					
	£				
Assam—Bengal, L., guaranteed 3%	1,500,000	3	100	73	4 $\frac{1}{8}$
Bengal and North-Western (Limited)	3,000,000	8	100	153 $\frac{1}{2}$	5 $\frac{3}{8}$
Bengal Doocars, L.	400,000	5	100	100 $\frac{1}{2}$	4 $\frac{1}{8}$
Bengal Nagpur (L), gtd. 4% + $\frac{1}{4}$ th profits	3,000,000	5	100	115 $\frac{1}{2}$	4 $\frac{5}{8}$
Burma Guar. 2 $\frac{3}{4}$ % and propn. of profits	3,000,000	4 $\frac{1}{2}$	100	108	4 $\frac{3}{8}$
Delhi Umballa Kalka, L., guar. 3 $\frac{1}{2}$ % + } net earnings	800,000	9 $\frac{1}{2}$	100	190 $\frac{1}{2}$	4 $\frac{1}{8}$
East Indian Def. ann. cap. g. 4% + $\frac{1}{2}$ % } sur. profits	1,721,949	6 $\frac{9}{10}$	100	97 $\frac{1}{2}$	6 $\frac{9}{16}$
Do. do, class "D" repayable 1953 (t)	4,828,051	5 $\frac{1}{2}$	100	118 $\frac{1}{2}$	4 $\frac{1}{8}$
Do. 4 $\frac{1}{2}$ % perpet. deb. stock (t)	1,435,650	4 $\frac{1}{2}$	100	111	4
Do. new 3% deb. red. (t)	8,000,000	3	100	75	4
Great Indian Peninsula 4% deb. Stock (t)	2,701,450	4	100	98 $\frac{1}{2}$	4 $\frac{1}{8}$
Do. 3% Gua. and $\frac{1}{8}$ % surp. profits 1925 (t)	2,575,000	4 $\frac{3}{8}$	100	97	4 $\frac{1}{8}$
Madras and South Mahratta	5,000,000	5	100	110	4 $\frac{1}{8}$
Nizam's State Rail. Gtd. 5% Stock	2,000,000	5	100	102	4 $\frac{1}{8}$
Do. 3 $\frac{1}{2}$ % red. mort. debts, ...	1,063,300	3 $\frac{1}{2}$	100	76	4 $\frac{9}{16}$
Rohilkund and Kumaon, Limited	400,000	7 $\frac{1}{2}$	100	153 $\frac{1}{2}$	4 $\frac{3}{8}$
South Behar, Limited	379,580	5	100	101	4 $\frac{1}{8}$
South Indian 4 $\frac{1}{2}$ % per. deb. stock, gtd.	425,000	4 $\frac{1}{2}$	100	109	4 $\frac{1}{8}$
Southern Punjab, Limited	1,000,000	8 $\frac{1}{2}$	100	165 $\frac{1}{2}$	5 $\frac{1}{8}$
Do. 3 $\frac{1}{2}$ % deb. stock red.	500,000	3 $\frac{1}{2}$	100	82	4 $\frac{1}{8}$
West of India Portuguese Guar. L.	800,000	5	100	88	5 $\frac{3}{8}$
Do. 5% debenture stock	550,000	5	100	99	5
BANKS.					
	Number of Shares.				
Chartered Bank of India, Australia, } and China	60,000	14	20	60	4 $\frac{5}{8}$
National Bank of India	80,000	12	12 $\frac{1}{2}$	37 $\frac{1}{2}$	3 $\frac{1}{8}$

(t) Eligible for Trustee Investments.

Trunk Railway Company has placed another £500,000 of similar notes with a syndicate at 98 $\frac{1}{2}$, or $\frac{1}{2}$ above the issue price of the previous block, which is now quoted at the substantial premium of 2 $\frac{3}{8}$.

In its half-yearly profit statement the Grand Trunk Railway announced a surplus far smaller than the market had been led by the monthly revenue statements to anticipate. Evidently the directors saw fit to appropriate large sums for some special expenditure out of the receipts for June, for which no monthly revenue statement had been issued. The gross receipts on the main line for the half-year amounted to £4,365,600 and the working expenses to £3,207,100. Thus the net receipts were £1,158,500 against £1,041,000 for the first half of 1912. After allowing for the debit balance on account of rentals, outside operations and car mileage and for net revenue charges and credits, there was a balance of £549,700 against £493,600 a year ago. From this there have to be deducted £74,000 deficiency on the Canada Atlantic and £76,600 deficiency on the Detroit, Grand

CANADIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Regd. Stock . .	28,162,776	1930-50*	93	3½	1 Jan.—1 July.
PROVINCIAL.					
ALBERTA.					
4% Debs.	411,000	1938	94½	4½	1 June—1 Dec.
BRITISH COLUMBIA.					
3% Inscribed Stock .	2,045,760	1941	77	4½ ⁷ / ₁₆	1 Jan.—1 July.
MANITOBA,					
4% Regd. Stock . .	1,915,000	1950	94	4½	1 May—1 Nov.
NEW BRUNSWICK.					
4% Regd. Stock . .	450,000	1949	95	4½	1 Jan.—1 July.
NOVA SCOTIA.					
5½% Stock	650,000	1954	82	4½ ⁷ / ₁₆	1 Jan.—1 July.
ONTARIO					
3½% Regd. Stock . .	1,200,000	1946	88	4½	1 Jan.—1 July.
QUEBEC.					
3% Inscribed . . .	1,897,820	1937	80	4½ ⁷ / ₁₆	1 Apr.—1 Oct.
SASKATCHEWAN.					
4% Regd. Stock . .	1,000,000	1951	93	4½	1 Jan.—1 July.
MUNICIPAL.					
Calgary 4½% Debs. .	1,920,900	1930-42*	92	5½ ¹ / ₁₆	1 Jan.—1 July.
Edmonton 4½% Debs.	641,400	1918-51*	93	4½ ⁷ / ₁₆	1 Jan.—1 July.
Hamilton (City of) 4%	482,800	1934	90	4½ ⁷ / ₁₆	1 Apr.—1 Oct.
Montreal 4%	2,400,000	1948-50	95	4½ ⁷ / ₁₆	1 May—1 Nov.
Quebec 4% Debs. . .	385,000	1923	96	4½ ⁷ / ₁₆	1 Jan.—1 July.
Regina 4½% Debs. .	382,500	1925-52*	92	5	1 Jan.—1 July.
Toronto 4% Bonds .	300,910	1922-28*	94	4½	1 Jan.—1 July.
Vancouver 4% Bonds	121,200	1931	92	4½	1 Apr.—1 Oct.
Winnipeg 4% Regd. .	2,500,000	1940	93	4½	1 Apr.—1 Oct.

* Yield calculated on latest date.

Haven and Milwaukee, leaving £399,100 available for dividend. This suffices to pay the full dividend for the half-year on the Guaranteed and First and Second Preference stock and to leave £3,300 to be added to the carry-forward, bringing it up to £16,600. Thus any dividend on the third Preference stock for the half-year is out of the question, and if that stock is to receive its full dividend for 1913, the second half of the year will have to produce £100,000 more surplus than the corresponding half of last year, for which an actual dividend of 2½ per cent. was paid on the stock.

It is believed that the directors have appropriated a large sum

CANADIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up per Share.	Price.	Yield.
RAILWAYS.					
Canadian Pacific Shares . . .	2,000,000	%			
Do. 4% Preference . . .	£14,428,082	10	\$100	225	4 $\frac{7}{8}$
Do. 4% Cons. Deb. Stock . . .	£30,959,230	4	Stock	95	4 $\frac{1}{8}$
Grand Trunk Ordinary . . .	£22,475,993	4	"	97 $\frac{1}{2}$	4 $\frac{1}{8}$
Do. 5% 1st Preference . . .	£3,420,000	nil.	"	23 $\frac{1}{2}$	nil.
Do. 5% 2nd " . . .	£2,530,000	5	"	104	4 $\frac{1}{2}$
Do. 4% 3rd " . . .	£7,168,055	5	"	96	5 $\frac{3}{8}$
Do. 4% Guaranteed . . .	£12,215,555	2 $\frac{1}{2}$	"	55 $\frac{1}{2}$	4 $\frac{1}{8}$
Do. 5% Perp. Deb. Stock . . .	£4,270,375	4	"	84 $\frac{1}{2}$	4 $\frac{1}{8}$
Do. 4% Cons. Deb. Stock . . .	£22,222,442	5	"	114	4 $\frac{3}{8}$
		4	"	93 $\frac{1}{2}$	4 $\frac{1}{4}$
BANKS AND COMPANIES.					
Bank of Montreal	160,000	12	\$100	236	5 $\frac{3}{8}$
Bank of British North America . . .	20,000	8	50	76	5 $\frac{1}{2}$
Canadian Bank of Commerce . . .	200,000	11	\$50	21	5 $\frac{7}{8}$
Canada Company	8,319	54s. per sh.	1	22 $\frac{1}{2}$	12
Hudson's Bay	1,000,000	40	1	11 $\frac{1}{2}$	3 $\frac{1}{2}$
Trust and Loan of Canada . . .	100,000	8	5	6	6 $\frac{1}{2}$
Do. new	25,000	8	3	3 $\frac{1}{2}$	7 $\frac{3}{8}$
British Columbia Elec. Def. . . .	£1,200,000	8	Stock	127 $\frac{1}{2}$	6 $\frac{1}{2}$
tric Railway . . . /Prefd.	£1,200,000	6	Stock	112 $\frac{1}{2}$	5 $\frac{1}{8}$

NEWFOUNDLAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3 $\frac{1}{2}$ % Sterling Bonds . .	2,178,800	1941-7-8*	84	4 $\frac{9}{8}$	} 1 Jan.—1 July.
3% Sterling " . .	325,000	1947	74	4 $\frac{1}{2}$	
4% Inscribed Stock . .	320,000	1913-38*	99	4 $\frac{1}{2}$	
4% " " " . .	427,881	1935	99	4 $\frac{1}{8}$	
4% Cons. Ins. " . .	200,000	1936	98	4 $\frac{1}{8}$	
3 $\frac{1}{2}$ % Inscribed, 1910 . .	800,000	1950	90	4	

* Yield calculated on latest date.

for new rolling stock in view of the increased mileage to be opened this autumn on the Grand Trunk Pacific. But the full report and accounts must be awaited for official information as to the exact destination of the big amount that has evidently been applied out of profits.

Another issue placed by the New South Wales Government during the month was marked by a somewhat unusual incident. The dealers in the Consol market of the Stock Exchange flatly refused to underwrite the issue, and the brokers responsible for the matter had to get the loan underwritten among banks and other outside institutions. Less than a third of the £1,500,000 offered in 4 per cents. at 97 $\frac{1}{2}$ was taken by the general public, the

underwriters having to take 69 per cent. They were, however, in a position to hold tightly to the security with the result that it is now quoted at a premium. The loan, which is redeemable in 1962 at the latest, was raised for permanent and reproductive works, including railway equipment and extensions, the improvement of Sydney Harbour, the construction of new tramways, waterworks, drainage and water conservation and irrigation.

The full annual report and accounts of the Bank of New Zealand are now to hand. They show that at March 31, the deposits amounted to £16,414,639, and the bills payable and other liabilities, including provision for doubtful debts and for depreciation in investment securities, to £1,367,081. On the assets side of the balance-sheet, coin and cash balances at bankers stood at £3,069,857, bullion on hand and in transit at £79,072, money at call and short notice, Government securities and other

AUSTRALIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
NEW SOUTH WALES.					
4% Inscribed Stock (t)	9,685,800	1933	100	4	} 1 Jan.—1 July. 1 Apr.—1 Oct.
3½% " " (t)	16,464,545	1924	94	4½ ⁵ / ₈	
3% " " (t)	12,475,800	1935	82	4½ ³ / ₈	
VICTORIA.					
4% Inscribed, 1885 .	5,970,000	1920	99	4½ ¹ / ₄	} 1 Jan.—1 July.
3½% " 1889 (t)	4,987,250	1921-6†	93	4½ ¹ / ₄	
3% " (t) . .	5,211,331	1929-49†	77	4½ ¹ / ₄	
QUEENSLAND.					
4% Inscribed Stock (t)	7,989,000	1924	100	4	} 1 Jan.—1 July.
3½% " " (t)	4,834,334	1921-24†	93	4½ ⁵ / ₈	
3% " " (t)	4,274,213	1922-47†	78	4½ ¹ / ₄	
SOUTH AUSTRALIA.					
4% Bonds	1,359,800	1916	100	4½ ⁵ / ₈	} 1 Apr.—1 Oct.
4% Inscribed Stock .	6,281,500	1916-7-36†	99	4½ ³ / ₈	
3½% " " (t)	2,517,800	1939	89	4½ ³ / ₈	} 1 Jan.—1 July.
3% " " (t)	839,500	1916-26†	87	4½ ³ / ₈	
3% " " (t)	2,760,100	1916 † or after.	73	4½ ¹ / ₈	
WESTERN AUSTRALIA.					
3½% Inscribed (t) . .	3,780,000	1920-35†	88	4½ ³ / ₈	} 1 May—1 Nov. 15 Jan.—15 July.
3% " (t) . .	3,750,000	1915-35†	81	4½ ³ / ₈	
3% " (t) . .	2,500,000	1927†	86	3½ ⁷ / ₈	
TASMANIA.					
3½% Inscbd. Stock (t)	4,156,500	1920-40†	89	4½ ³ / ₈	} 1 Jan.—1 July.
4% " " . . .	1,000,000	1920-40*	101	3½ ³ / ₈	
3% (t)	450,000	1920-40†	81	4½ ³ / ₈	

* Yield calculated on earlier date of redemption.

† Yield calculated on latest date of redemption.

† No allowance for redemption.

(t) Eligible for Trustee Investment.

AUSTRALIAN MUNICIPAL AND OTHER BONDS.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Melbourne & Met. Bd. of Works 4% Debs. }	1,000,000	1921	95	4 $\frac{7}{8}$	1 Apl.—1 Oct.
Do. City 4% Deb. }	850,000	1915-22*	98	5 $\frac{5}{8}$	
Melbourne Trams Trust 4 $\frac{3}{4}$ % Debs. }	1,650,000	1914-16*	100	4 $\frac{3}{4}$	1 Jan.—1 July.
S. Melbourne 4 $\frac{1}{2}$ % Debs. }	128,700	1919	98	4 $\frac{1}{2}$	
Sydney 4% Debs. . .	300,000	1919	97	4 $\frac{1}{8}$	1 Jan.—1 July.

* Yield calculated on earlier date of redemption.

AUSTRALIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Emu Bay and Mount Bischoff . . .	12,000	5	5	5 $\frac{1}{2}$	4 $\frac{3}{8}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock	£130,900	4 $\frac{1}{2}$	100	94	4 $\frac{3}{8}$
BANKS AND COMPANIES.					
Bank of Australasia	40,000	17	40	115	5 $\frac{7}{8}$
Bank of New South Wales	125,000	10	20	38	5 $\frac{1}{2}$
Union Bank of Australia £75 . . .	60,000	14	25	52 $\frac{3}{4}$	6 $\frac{1}{8}$
Do. 4% Inscribed Stock Deposits . .	£600,000	4	100	98	4 $\frac{1}{8}$
Australian Merc. Land & Finance £25	80,000	12 $\frac{1}{2}$	5	7	8 $\frac{1}{8}$
Do. 4% Perp. Deb. Stock	£1,900,000	4	100	90	4 $\frac{7}{8}$
Dalgety & Co. £20	154,000	8	5	6 $\frac{1}{2}$	6 $\frac{3}{8}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock	£511,037	4 $\frac{1}{2}$	100	100	4 $\frac{1}{2}$
Goldsbrough Mort & Co. 4% A Deb. } Stock Reduced }	£998,530	4	100	81 $\frac{1}{2}$	4 $\frac{7}{8}$
Do. B Income Reduced	£669,643	5	100	93 $\frac{1}{2}$	5 $\frac{5}{8}$
South Australian Company £15 . . .	14,200	£3 $\frac{1}{2}$	£15	52 $\frac{1}{2}$	6 $\frac{1}{8}$
Trust & Agency of Australasia . . .	54,979	7 $\frac{1}{2}$	1	1 $\frac{3}{4}$	6 $\frac{5}{8}$
Do. 5% Cum. Pref.	100,000	5	10	94 $\frac{1}{4}$	5 $\frac{1}{8}$

NEW ZEALAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
5% Bonds	266,300	1914	101	4 $\frac{7}{8}$	15 Jan.—15 July.
4% Inscribed Stock (t)	29,295,302	1929	101	4	1 May—1 Nov.
3 $\frac{1}{2}$ % Stock (t)	17,528,932	1940	91	4	1 Jan.—1 July.
3% Inscribed Stock (t)	9,659,980	1945	77	4 $\frac{7}{8}$	1 Apr.—1 Oct.

(t) Eligible for Trustee Investments.

securities in London at £4,081,038, bills receivable in London and in transit at £2,847,126, investment in the Colonies at £957,268, bills discounted at £1,253,254, other advances and securities and debts due to the bank at £9,504,074 and landed property, premises and so on at £467,827. The figures of the

NEW ZEALAND MUNICIPAL AND OTHER SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Auckland 5% Deb. . .	200,000	1934-8*	105	4 $\frac{5}{8}$	1 Jan.—1 July.
Do. Hbr. Bd. 5% Debs.	150,000	1917	102	4 $\frac{1}{2}$	10 April—10 Oct.
Bank of N. Z. shares†	150,000	div. 15%	10 $\frac{1}{2}$	4 $\frac{1}{2}$	—
Do. 4% Gua. Stock†	£1,000,000	1914	99	5 $\frac{1}{8}$	April—Oct.
Christchurch 6% Drainage Loan. }	200,000	1926	111 $\frac{1}{2}$	4 $\frac{1}{2}$	30 June—31 Dec.
Lyttleton Hbr. Bd. 6% }	200,000	1929	109 $\frac{1}{2}$	5 $\frac{1}{2}$	} 1 Jan.—1 July.
Napier Hbr. Bd. 5% Debs. }	300,000	1920	101	4 $\frac{1}{2}$	
Do. 5% Debs. }	200,000	1928	101	4 $\frac{1}{2}$	
National Bank of N.Z.)	200,000	div. 13%	4 $\frac{7}{8}$	6 $\frac{5}{8}$	Jan.—July.
£7 $\frac{1}{2}$ Shares £2 $\frac{1}{2}$ paid }	173,800	1920	98	5 $\frac{1}{8}$	1 Jan.—1 July.
Oamaru 5% Bds. . . }	443,100	1934	102	4 $\frac{7}{8}$	1 Jan.—1 July.
Otago Hbr. Cons. Bds. 5% }	100,000	1914-29	104 $\frac{1}{2}$	—	1 Mar.—1 Sept.
Wellington 6% Impts. Loan }	130,000	1929	116 $\frac{1}{2}$	4 $\frac{1}{2}$	1 Mar.—1 Sept.
Do. 6% Waterworks . . }	165,000	1933	99	4 $\frac{5}{8}$	1 May—1 Nov.
Do. 4 $\frac{1}{2}$ Debs. }	150,000	1925	98	4 $\frac{3}{8}$	1 Mar.—1 Sept.
Westport Hbr. 4% Debs. }					

* Yield calculated on earlier date of redemption.

† £6 13s. 4d. Shares with £3 6s. 8d. paid up.

‡ Guaranteed by New Zealand Government.

SOUTH AFRICAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
CAPE COLONY.					
4 $\frac{1}{2}$ % Bonds	£ 261,400	dwgs.	101	4 $\frac{1}{2}$	15 Apr.—15 Oct.
4 $\frac{1}{2}$ % 1883 Inscribed . .	3,670,995	1923	101	3 $\frac{1}{8}$	1 June—1 Dec.
4% 1886 "	9,860,466	1916-36*	101	4	15 Apr.—15 Oct.
3 $\frac{1}{2}$ % 1886 " (t) . . .	14,891,244	1929-49†	87	4 $\frac{1}{8}$	1 Jan.—1 July.
3% 1886 " (t)	7,483,240	1933-43†	79	4 $\frac{1}{4}$	1 Feb.—1 Aug.
NATAL.					
4 $\frac{1}{2}$ % Bonds, 1876 . . .	758,700	1919	102	4 $\frac{3}{8}$	15 Mar.—15 Sep.
4% Inscribed (t) . . .	3,026,444	1937	101	4	Apr.—Oct.
3 $\frac{1}{2}$ % " (t)	3,714,917	1914-39†	88	4 $\frac{1}{2}$	1 June—1 Dec.
3% " (t)	6,000,000	1929-49†	78	4 $\frac{3}{8}$	1 Jan.—1 July.
TRANSVAAL.					
3% Guartd. Stock (t) .	35,000,000	1923-53†	87	3 $\frac{5}{8}$	1 May—1 Nov.

* Yield calculated on earlier date of redemption.

† Yield calculated on later date of redemption.

(t) Eligible for Trustee Investments.

profit and loss account were given here two months ago when they were received by cable.

Both the Transvaal gold output and the native labour supply have suffered severely from the effects of the miners' strike. For July the gold production amounted to only £2,783,917 against

£3,255,198 for July last year. The following statement gives the output month by month for several years past :

Month.	1913.	1912.	1911.	1910.	1909.	1908.
	£	£	£	£	£	£
January . .	3,353,116	3,130,830	2,765,886	2,554,451	2,612,836	2,380,124
February . .	3,118,352	2,989,832	2,594,634	2,445,088	2,400,892	2,301,971
March . .	3,358,050	3,528,688	2,871,740	2,578,877	2,580,498	2,442,022
April . .	3,334,358	3,133,383	2,836,267	2,629,535	2,578,804	2,403,500
May . .	3,373,998	3,311,794	2,913,734	2,693,785	2,652,699	2,472,143
June . .	3,173,392	3,202,517	2,907,854	2,655,602	2,621,818	2,442,829
July . .	2,783,917	3,255,198	3,012,738	2,713,083	2,636,965	2,482,608
August . .	—	3,248,895	3,030,360	2,757,919	2,597,646	2,496,869
September . .	—	3,176,846	2,976,065	2,747,853	2,575,760	2,496,112
October . .	—	3,265,150	3,010,130	2,774,390	2,558,902	2,624,012
November . .	—	3,216,965	3,057,213	2,729,554	2,539,146	2,609,685
December . .	—	3,297,962	3,015,499	2,722,775	2,569,822	2,806,235
Total * .	22,495,173	38,757,560	34,991,620	32,002,912	30,925,788	29,957,610

* Including undeclared amounts omitted from the monthly returns.

SOUTH AFRICAN MUNICIPAL SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
	£				
Bloemfontein 4% . .	763,000	1954	92	4 $\frac{7}{8}$	1 Jan.—1 July.
Cape Town 4% . .	1,852,650	1953	95	4 $\frac{1}{2}$	1 Jan.—1 July.
Durban 4% . .	850,000	1951-3	93	4 $\frac{3}{8}$	30 June—31 Dec.
Johannesburg 4% . .	5,500,000	1933-4	93	4 $\frac{3}{8}$	1 April—1 Oct.
Krugersdorp 4% . .	100,000	1930	92	4 $\frac{3}{8}$	1 June—1 Dec.
Pietermaritzburg 4% . .	825,000	1949-53	92	4 $\frac{7}{8}$	30 June—31 Dec.
Port Elizabeth 4% . .	369,468	1964	93	4 $\frac{7}{8}$	30 June—31 Dec.
Pretoria 4% . .	1,250,000	1939	93	4 $\frac{7}{8}$	1 Jan.—1 July.
Rand Water Board 4% . .	3,400,000	1935	93	4 $\frac{3}{8}$	1 Jan.—1 July.

SOUTH AFRICAN RAILWAYS, BANKS, AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Mashonaland 5% Debs.	£2,500,000	5	100	89 $\frac{1}{2}$	5 $\frac{9}{16}$
Rhodesia Rlys. 5% 1st Mort. Debs. } guar. by B.S.A. Co. till 1915. . . }	£1,931,800	5	100	99 $\frac{1}{2}$	5
Trans-African 5% Debs. Red. . . .	£1,845,300	5	100	82	6 $\frac{1}{16}$
BANKS AND COMPANIES.					
African Banking Corporation £10 shares	80,000	7	5	6	51 $\frac{3}{8}$
Natal Bank £10	148,232	8	2 $\frac{1}{2}$	2 $\frac{3}{4}$	7 $\frac{1}{4}$
National Bank of S. Africa £10 . .	131,630	6	10	11 $\frac{1}{4}$	5 $\frac{3}{8}$
Standard Bank of S. Africa £20 . .	309,705	13	£5	11 $\frac{1}{4}$	5 $\frac{3}{8}$
Ohlsson's Cape Breweries	60,000	7	5	5 $\frac{1}{2}$	6 $\frac{3}{8}$
South African Breweries	965,279	17 $\frac{1}{2}$	1	1 $\frac{1}{2}$ ⁵ / ₈	9
British South Africa (Chartered) . .	8,937,559	nil	1	1 $\frac{7}{8}$ ¹ / ₄	nil
Do. 5% Debs. Red.	£1,250,000	5	100	103	44 $\frac{3}{8}$
Natal Land and Colonization	68,066	6 $\frac{1}{2}$	5	3 $\frac{1}{4}$	8 $\frac{3}{8}$
Cape Town & District Gas Light & Coke	10,000	nil	10	2 $\frac{1}{4}$	—
Kimberley Waterworks £10	45,000	5	7	6	51 $\frac{3}{8}$

In the native labour supply for the gold mines there was a net diminution during the month of 17,852 hands, leaving the total supply at the end of the month at 170,242 against 182,925 at the corresponding date last year. In the following statement the course of the labour supply month by month this year and last is shown :

Month.	Net Gain on Month.	Natives Employed end of Month.	Month.	Net Gain on Month.	Natives Employed end of Month.
January 1912 .	5,764	184,046	January 1913 .	8,774	200,090
February „ .	6,274	190,320	February „ .	7,572	207,662
March „ .	6,423	196,748	March „ .	71	207,733
April „ .	1,189	197,937	April „ .	2,309*	205,424
May „ .	4,103*	193,829	May „ .	7,780*	197,644
June „ .	5,335*	188,494	June „ .	8,550*	188,094
July „ .	5,569*	182,925	July „ .	17,852*	170,242
August „ .	3,814*	179,111	—	—	—
September „ .	1,623	180,739	—	—	—
October „ .	1,319	182,058	—	—	—
November „ .	4,823	186,881	—	—	—
December „ .	4,435	191,316	—	—	—

* Net loss.

The Rhodesian gold output, on the other hand, showed considerable expansion, although the month's total of £249,302 falls short of the record output of £257,797 shown by the return for last March. This statement gives the returns for several years past in tabular form :

Month.	1913.	1912.	1911.	1910.	1909.	1908.
	£	£	£	£	£	£
January . .	220,776	214,918	207,903	227,511	204,666	199,380
February . .	208,744	209,744	203,055	203,888	192,497	191,635
March . . .	257,797	215,102	231,947	228,385	202,157	200,615
April . . .	241,098	221,476	221,296	228,213	222,700	212,935
May . . .	242,452	234,407	211,413	224,888	225,032	223,867
June . . .	241,308	226,867	215,847	214,709	217,600	224,920
July . . .	249,302	240,514	237,517	195,233	225,234	228,151
August . .	—	239,077	243,712	191,423	223,296	220,792
September .	—	230,573	225,777	179,950	213,249	204,262
October . .	—	230,072	218,862	234,928	222,653	205,466
November .	—	225,957	214,040	240,573	236,307	196,668
December .	—	218,661	217,026	199,500	233,397	217,316
Total .	1,661,472	2,707,368	2,647,895	2,569,201	2,623,788	2,526,007

The other minerals produced from Southern Rhodesia during the month comprised 12,401 ounces of silver, 27 tons of lead, 22,051 tons of coal, 5,449 tons of chrome ore and 80 carats of diamonds.

CROWN COLONY SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Barbadoes 3½% ins. (t)	975,000	1925-42†	91	4½	1 Mar.—1 Sep.
Brit. Guiana 3% ins. (t)	250,000	1923-45†	80	4½	1 Feb.—1 Aug.
Ceylon 4% ins. (t) . .	1,076,100	1934	100	4	15 Feb.—15 Aug.
Do. 3% ins. (t) . . .	2,850,000	1940	80	4½	1 May—1 Nov.
Hong-Kong 3½% ins. (t)	1,485,733	1918-43†	90	4½	15 Apr.—15 Oct.
Jamaica 4% ins. (t) .	1,099,048	1934	99	4½	15 Feb.—15 Aug.
Do. 3½% ins. (t) . .	1,493,600	1919-49†	88	4½	24 Jan.—24 July.
Mauritius 3% guar. }	600,000	1940	87	3½	1 Jan.—1 July.
Great Britain (t) . }					
Do. 4% ins. (t) . . .	482,390	1937	99	4½	1 Feb.—1 Aug.
Sierra Leone 3½% ins. (t)	729,848	1929-54†	91	3½	1 June—1 Dec.
Trinidad 4% ins. . .	422,593	1917-42*	100	4½	15 Mar.—15 Sep.
Do. 3% ins. (t) . . .	600,000	1922-44†	80	4½	15 Jan.—15 July.
Hong-Kong & Shang- }	120,000	Div. £4½	£79x	5½	Feb.—Aug.
hai Bank Shares . }					

* Yield calculated on shorter period.

† Yield calculated on longer period.

(t) Eligible for Trustee investments.

(x) Ex dividend.

EGYPTIAN SECURITIES.

Title.	Amount or Number of Shares.	Dividend for last Year.	Paid up.	Price.	Yield.
Egyptian Govt. Guaranteed Loan (t) .	£7,102,800	3	99	89	3½
" Unified Debt	£55,971,960	4	100	99	4
National Bank of Egypt	300,000	8	10	16½	4½
Agricultural Bank of Egypt, Ordinary	496,000	7	5	5	7
" " " Preferred	125,000	4	10	7½	5½
" " " Bonds .	£2,350,000	3½	100	81	4½

(t) Eligible for Trustee investments.

TRUSTEE.

August 23, 1913.

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THE ETHICS OF PLURAL VOTING THE GOVERNMENT BILL EXAMINED AND CRITICISED

BY THE RT. HON. VISCOUNT PEEL

(Mover of the Opposition Amendment in the House of Lords)

THE Plural Voting Bill is so manifestly designed to obtain for the Government an advantage over their political opponents at the next General Election, that I am glad of this opportunity to place my views on the subject before a wider audience than it was possible to do in the House of Lords. At the same time I cannot say that I have many new arguments to advance, and therefore must ask the indulgence of my readers if, to a great extent, I repeat much of what I said in the House of Lords when moving the Opposition amendment to the Bill. That amendment was to the effect that the House of Lords was not prepared to accept a Bill dealing only with the question of plural voting, while making no attempt to remove the serious imperfections of the present electoral law. And it is to this larger aspect of the subject that I propose mainly to call attention in this article.

It has been stated in the House of Commons that the Plural Voting Bill, being a matter purely of machinery connected with the election of that House, is not a question on which the other Chamber should venture to have any very strong opinion, hostile or otherwise. All I can say is that there ought to be some reciprocity in these matters, and I have not noticed during the last few years any very singular or ascetic abstinence on the part of the House of Commons from dealing with the affairs or even the composition of the House of Lords. Indeed, not long ago the Government were credited with the intention of possibly doubling the quantity of legislators in what I may venture to describe in the current phraseology as the Upper House. I lay

marked stress on the word "quantity." They seem now to want to go to the opposite extreme and remove the hereditary basis from that House altogether. In these circumstances I think one may almost venture to deal with the affairs, if they are the affairs, of the House of Commons. I go further and say that this is specifically a matter with which the House of Lords ought to deal, because every single Member of the other Chamber may be said to be a keenly interested party in electoral reform and plural voting, and I think it is no paradox to say that it is the House of Commons really which ought not to deal with plural voting, but that the House of Lords should at least be invested with a high authority on the decision of the question. With the exception of the precedent set by the Government themselves in 1906, there is absolutely no precedent in our constitutional history for bringing in a measure of this kind in this way.

Lord Crewe, representing the Government, introduced the Bill in the House of Lords, and throughout his speech seemed to refer to the measure as being a method of electoral reform. I assume that to be so because he referred to "other measures" of electoral reform. I had my doubts on the point when I read the title of the Bill, "An Act to impose a penalty on an elector who votes in more than one constituency at a General Election." I confess that the present Bill sounded to me more like some Criminal Law Amendment Bill than an Electoral Reform Bill; but I will do Lord Crewe the courtesy to assume that he was referring to an Electoral Reform Bill. Like some other Bills that have reached the House of Lords, it does not even possess the decent drapery of a Preamble to cover its inadequacies or to throw out tantalising suggestions of what is going to happen in the future; although it would be very difficult, no doubt, to construct a proper Preamble to the measure.

When dealing with these grave matters of electoral reform and machinery, I submit that there are several principles to which all these measures ought to conform. Firstly, the utmost care should be taken in constructing the machinery to see that no colour be given to the charge that under the guise of electoral reform the Government are seeking Party advantage. I think that principle becomes of increased importance at this time, when the elected House of Commons is practically supreme, and is in a totally different position from what it was in 1906, or even in the remote period of 1891, when, we are told, plural voting first appeared on the programme of the Liberal Party. I would say, also, that these electoral changes should be made, and made only, with a view of improving the truly representative character of the various interests and views of the electorate, with full regard to the dignity and

stability of the institutions which are affected. The third principle I venture to lay down is, that the main principles of the Bill should appear openly on its face, and that the country should not be committed to new principles which are merely inferences from the propositions there contained. They should be explicit and not merely implicit, as was said of the Welsh Bill; and one must not assume, as some followers of the Government are inclined to assume, that the electorate is capable of deducing and assenting or dissenting to all the inferences drawn by the keenest logicians from Bills presented to the Upper House. This Bill contravenes all these three principles, and contravenes them in the most flagrant way.

In looking at the conduct of a Government, as in the case of a person, one has to examine previous records and previous history, and as regards my first principle some observation should be made on the character of the Government. Take their action over the Parliament Bill and the remodelling of the Constitution. In that case, as in their electoral schemes, they prefer the easy half, the half of party advantage, and reconstruct the powers of the House of Lords. They postpone on various pretexts the more difficult half of the problem, the composition of the Second Chamber, lest they may overtax their powers of construction, or produce a Chamber which, drawing its authority no longer from hereditary roots, might develop the dangerous habit of criticising the inspired productions of Liberal Cabinets. Here again they would appear to seek the palm without the dust. Home Rule was introduced first, and the introduction and the passing of the Home Rule Bill would be, as has been most clearly pointed out, not only of no assistance but an obstruction to that scheme of federation which has also been suggested. When you come to the Plural Voting Bill the case is very similar. This Bill is a fragment, a plum picked out of the Franchise Bill of last year. Why is it that this particular portion of it was picked out by the Government and is being now pressed on to accomplishment? Lord Crewe dealt very tenderly with the suggestion as to whether there was any Party advantage in this matter. I do not think he alluded to the fact—and it seemed to me a rather curious omission—of the number of plural votes affected, which is about half a million; nor did he give us any estimate as to how these votes were divided among the different parties. Perhaps he thought it was common knowledge that between three-fifths and four-fifths of these votes are supposed to be cast on the Unionist side. I should like to ask, in passing, whether, if the balance had been the other way and the majority was usually cast upon the Liberal side, Parliament would now be discussing a measure of this kind.

A good deal has been said in other places about Party

advantage, and I do not wish to dwell upon it too much, although Lord Crewe seemed to me, in the course of his remarks, rather to infer that plural voting did tend to the Party advantage of the Opposition. I venture to suggest he should look upon things from a broader basis as regards our political machinery. Mr. Crooks, referring to this Bill, said :—"The fact of the matter is, the Government are trying to help themselves. Is that wrong?" That is not a plea of confession and avoidance; it is a plea of confession and justification. And here let me point out that this Bill is conveniently timed, because the programme of the Government, if carried out, would come into operation a little after the date when a certain number of their Irish supporters will have disappeared from the House of Commons. Therefore I suppose there is a sort of feeling that if the Government are losing support on the one hand they must make it up on the other by disfranchising a considerable number of their opponents.

Lord Crewe alluded, however, to the referendum, and charged the Opposition with inconsistency in supporting in certain cases the referendum, which, of course, involves to some extent, as far as it goes, one man one vote. So far as I am concerned I confess I should prefer the referendum to be more balanced by plural voting; but, after all, the comparison seems to me a wholly inexact one. It is impossible to compare a method of obtaining the national opinion on a specific question and on rare and limited occasions only, to a system under which the whole representation of this country has to be elected to Parliament. Under the referendum, at any rate, the minority can secure the full weight of its voice unencumbered by the disproportion of constituency or other electoral discrepancies.

The Government pride themselves on the extreme kindliness and indulgence shown to the plural voter in the present Bill, but I would point out that in being kindly and indulgent you must not at the same time be ridiculous. This crime, if crime it be, of plural voting can be committed only at General Elections once in every four years. Now once in every four years young ladies are allowed to put a question to young men which would be considered indelicate on other occasions. The Government have reversed this. The act of plural voting is harmless for four years, but becomes a crime every fourth year when the General Election takes place. I do not understand this Leap Year system. I do not understand this periodic intermittence of crime. After all, you may have a man who would be put into prison according to the Bill for committing this crime at a General Election, but as soon as he comes out of prison a by-election may take place and he may then commit with perfect

impunity the very crime for which he was imprisoned six months ago. All this is very confusing and some people might call it a little unjust.

Then this Bill, as drawn, positively makes redistribution more difficult than it was before, because under its provisions no one can tell until the election has taken place how many voters are going to vote in a particular constituency at a General Election. The result is that you put an absolute drag upon redistribution, and until you have repealed this Bill redistribution would be practically impossible. Lord Crewe alluded with satisfaction to the activities of the agents. I agree that this Bill does stimulate the activities of the wire-puller and the agent. Although I am familiar with the operations of those gentlemen and have found them extremely useful on occasions, I have never looked upon this class of activity as very edifying ; but Lord Crewe seems to give them a sort of *cachet* of distinction as being most eminent gentlemen in the community. There is hardly a proposition throughout this Bill which has not been previously condemned by the Government themselves in previous Bills brought in by private Members. That is a singular inconsistency. Then it has been suggested that the Bill is transitory. I think it is, but therein lies the very vice of the thing. In these matters we must not have transitory Bills, but Bills based on some more general and enduring principle.

I am one of those who venture to think there is a good deal to be said for the plural vote. We have had no argument from the Government on the question of equality of voting power. They seem to think that equality of persons as regards votes is one of those sure principles which can be assumed without discussion. We are told that the country is in favour of it, but I think, even at this time, we may submit that the will of the people is open to some sort of criticism from the point of view of common sense and knowledge ; and considering that this principle is contrary to the whole trend of science and the common observation of ordinary men, I think it requires some explanation from the other side as to why absolute equality should be adopted in electoral institutions. It is based on a purely abstract doctrine, and I thought that abstract doctrines had by this time received sufficient condemnation. I may remind my opponents that it was these abstract doctrines that aroused the fullest indignation and scorn of one of the greatest masters of English prose that ever lived, and I had thought that the passion and reason of Burke had laid these ghosts for ever. The only question worth asking is not whether one man is equal to another as regards voting, but whether or not our institutions will be strengthened and our representative system made more truly

representative if we adopt the Government suggestion. I could understand giving one man one vote if Government were merely a matter of *largesse*, a question of distribution of plunder ; but if it is a question of selecting the best men to deal with and govern the affairs of the country, then I submit that equality cannot be maintained.

There is at the present day a great and growing fear that minorities may be submerged, and it is only recently that the doctrine that minorities must suffer has been elevated to the dignity of a maxim of State. Moreover, I think that our representative system should to some extent follow the facts of the case and of life around. You will find in our representative system that the minorities which it is wished to submerge in this way are tending to secure special representation for themselves. You find an example of that in another place with regard to the teachers, who combine together to secure a representative for themselves. Then, again, the Labour Party is an example of class representation which has been growing up, and growing up naturally. The Labour Party's aims have been very often commended by no less an authority than the Lord Chancellor, and their scope and limitation have been so clearly recognised by the members of the Party themselves to-day that if I were to suggest to a representative of Labour that he was anything else but a representative of Labour he would regard it as an insult. I see another instance of the same tendency in the new Constitution in Egypt, where the Government are going to secure by nomination, if not by other means, for Bedouin and Copt and other interests special representation in the Parliament they are proposing to set up in Egypt.

There are other considerations, even more important than those I have mentioned. It is common knowledge that practically the whole of our taxation is being thrown on a very limited class. The Prime Minister, speaking in the House of Commons last session, dwelt upon this aspect of the case, and objected to the free breakfast table on the ground that all persons exercising electoral power must contribute something at least towards the policy which they themselves were able to dictate. But every one knows that the restrictions on the freedom of the breakfast table would very soon be proscribed by the Liberal Party in the first heavy weather they had to encounter ; and in view of the fact that six-sevenths of the whole electorate at present do not pay Income Tax, the fact that you are going to enlarge the electorate very soon must make every man who is anxious about the stability of the State consider whether you are really going to treat as an anomaly a system which allows important interests

and views to have some sort of representation. It is said these classes are well able to defend themselves in other ways, but when they attempt to do so they are severely castigated as interested parties. Are they likely to be better able to defend themselves in the future? I think the signs are in another direction, and that the force and the position of property is greatly diminished and will be still more diminished before the next generation has passed away.

The question is interesting when looked at historically. We enlarged the franchise in 1832, and we retained plural voting when the middle classes obtained the vote. Then again in 1867 and in 1884, when we included the town and the country householder, even then we retained plural voting. And now that the Government are about to enfranchise masses of new voters who cannot be said to have great political experience, surely it is absurd to remove that one check and balance which we specially retained in 1832 and 1867 and 1884. Are we going merely to apply these abstract doctrines to the complicated affairs of State and become pure Pythagoreans, mere apostles of the supreme importance of numbers.

I should like to ask this question. Is plural voting really an anomaly? I contend that it is the precise opposite of an anomaly. To me the plural voter is a necessary and radical part of our present system of representation. I contend, further, that the system of "one man one vote" is an anomaly itself in our constitution, and that this Bill introduces one of the greatest anomalies that could be introduced into our electoral system.

The antithesis is generally put by supporters of the Bill as existing between the representation of property and the representation of men. It is nothing of the kind. The antithesis is between the representation of mere individuals and the representation of individuals collected together and associated together in communities. I venture to think that the latter system—political representation based on local association—is admirable, and we all have learnt by experience that a man must be a good patriot before he can be a good cosmopolitan, and very often one finds that a professor of humanity does not hold very inspiring views about the character and prosperity of his own country. When recognising the value in history of ancient institutions, it is a remarkable thing that the Government are going to discard this spirit now when it is most wanted in our electoral life. I feel most strongly that it is precisely in democratic days and countries that it is more than ever necessary, much more than under oligarchically ruled countries, to stir the feelings of all the citizens to a reverence for the institutions and the feelings of the past. I

suggest also that our representative system is inseparable from the plural voter. A man is not sent to the House of Commons merely as a representative; he is sent as a representative of a particular locality. There are a great many private Bills introduced into Parliament in regard to which counsel and advice in the locality may be very necessary, of which the locality would be entirely deprived if the plural voter were not able to use his vote and influence in that particular place. You must defend, if you support this Bill, the principle of one man one vote, of perfect electoral equality; and that is a principle which I think the Government apply so far, and only so far, as it squares with their nice calculation of Party advantage. They are not content with attacking only the representation of locality and property; they attack the representation of education as well. Lord Crewe said: "We are not taking away the representation from the Universities." That may be true, as far as direct representation goes. But what is the record of the Government in this respect? In the Scottish Bill, and in the Franchise Bill of last year, of which this measure is a fragment, they destroyed the representation of Universities. If any person supposes that any tenderness is going to be shown to University representation, all I can say is that the precedents are against him.

Whether the attack be direct or indirect, the result is the same. For the whole of the nine University Members, who are unfortunately Unionists, are to be abolished as the result of this Bill. That seems to be an amazing paradox, when the Government are insisting more strenuously than ever on the necessity for higher education, and when the Minister for Education, only a few weeks ago, told us so emphatically there ought to be a broad and easy pathway fashioned to the doors of the University. The plain man looks at facts, and if the University is going to be dishonoured by an Electoral Bill, the plain man will probably consider that education is not so important in the minds of the Government as their speeches and professions would suggest. The Government are proposing to multiply the number of Universities. Is it not of supreme importance that the high standard of University education in this country should be fully maintained, and that the representatives of the older Universities should have the right, from their place in the House of Commons, to bear witness to the needs of that higher standard? For myself I would very much rather that the new Universities had representation than that representation should be taken away from the older Universities.

I cannot help referring for a moment to the position of the City of London. We are told again that the City of London is not to be disfranchised—and here again it is no doubt

unfortunate that the City of London should send two Conservative Members to Parliament. Unfortunately the sentence is pronounced and only the execution is postponed. But I do think it is very ungrateful of the Government to treat the City of London in this way, when it is remembered that for centuries the City of London supported the Whig Party and the causes on which the Whig Party laid most stress. When it is admitted that the City of London is the chief monetary centre of the world, it is regrettable that the Government cannot make an exception and secure for that important centre of business and finance direct representation in the Imperial Parliament. May I remind the Government on that point that the two members for the City have the right, to whatever party they may belong, of sitting on the Treasury Bench in the House of Commons. That right was given and is still maintained, because of the great part which the City played against the tyranny of Charles I., and in protecting the five Members from his illegal attacks. I do not pretend to prophesy about the future, but I cannot believe that when this Bill is passed some system will not spring up in the future giving more recognition to brains, to success, and to education.

Again, in view of the objection to the plural voter, let us be certain that we have got at the right man and are not attacking the wrong one. Lord Crewe, in putting the case for the Government, referred to certain electoral discrepancies. In the large constituencies compared with the small constituencies those discrepancies are so prodigious that they really relegate the plural voter to an insignificant place in comparison. Take Romford with its 57,000 electors, Walthamstow with its 43,000, Harrow with its 43,000 and Wandsworth with its 39,000, and compare those with Bury with its 2,800, St. George's-in-the-East with its 3,000, Pontefract with its 3,700, and Whitehaven with its 3,000. I had the experience of standing for one of the largest and sitting for one of the smallest, and I prefer the comparative repose of the one to the prodigious physical exertions entailed by the other. The disparity between the largest and the smallest is rapidly growing greater. The percentage was 8 to 1 in 1884, in 1900 it was 18 to 1, and now in 1913 it is 34 to 1. In four constituencies there are 184,000 voters, in fifty constituencies there are also 184,000 voters—four against fifty. One-half of the 670 Members returned to the House of Commons represent 5,500,000 electors; the other half represent 2,500,000. One-half of the electorate send 459 Members to Parliament; the other half send 211. In the face of gigantic discrepancies of that kind why concentrate all our attention on this miserable half-million of plural voters whose rights the Government want to take away? If representation means anything, if our representative system is to be put on

any sort of basis, surely if an appeal were made to an impartial person—I do not say there are any in this country, but let us take the President of the Swiss Republic or some man of whose impartiality there could be no question—would he not tell us that this anomaly is so great that its claim for precedence were imperative, especially at a time when, owing to great changes in our Constitution, the need of accuracy in representation was particularly dominant.

Then, again, the injustice is very great as between countries. Take the average number of voters each Member represents. The Irish Member represents 6,800 electors, the Scottish Member 11,000, the Welsh Member 12,500, and the English Member comes at the top of the scale as representing 13,200. So that as regards the countries, England, the predominant partner, is most heavily weighted. In one or two instances the stress is very heavy against the Conservative Party. At the present moment in Scotland one Unionist Member represents 25,000 voters, whereas each Liberal Member represents 6,000 voters. Those discrepancies arise by the accidents of the representation. What prodigious changes there would be in the representation if those discrepancies could be corrected! Look at the position of Parties in 1906 when the Liberals came back 428 strong, including the Labour Party, and the Unionists 155. If there had been any fair system of minority representation we should have had a representation of 327 Liberals and 256 Unionists instead of 155; and if there had been a minority of 256 instead of 155, what a difference there would have been in the legislation of the House of Commons at that time. These electoral anomalies cry to Heaven. I submit that it is ridiculous to suggest in any dealing with the matter that these anomalies should not be first selected for revision. Of course, some are ready to fall back on the doctrine of averages—one of those pleasant doctrines which not only are not true but are so terribly false—that what you lose in one way you make up in another. The figures I have cited show explicitly that that is not so. In these days when Party feeling is so keen and when Party spirit is so much regarded, the smooth and soothing syrups which satisfied our ancestors will no longer satisfy us to-day.

“If you complain about Ireland,” said Lord Crewe, “we are remedying that grievance, because we are giving them only forty-two Members instead of the sixty-five which they deserve.” I am considering the question on the basis of existing institutions, because, of course, no man can say when those forty-two Members are going to make their appearance in the House of Commons. On that basis Lord Crewe assumes that the representation could not be altered except with the consent of both parties, because

it was settled in the compact embodied in the Act of Union. But Lord Crewe did not state the facts quite accurately. He dealt with the Union as if the representation of Ireland had been based on numbers. It was not. It was based on the mean of two proportions, numbers, and contribution. If the principle is sacred, surely its application can be varied with circumstances. But this talk is idle from the point of view of the Government, because in 1893 they did their best to force through the House of Commons a measure tearing up the Union although at the time there was a majority of the predominant partner in the House of Commons in favour of maintaining the Union. Therefore they are not entitled to rely on the argument of mutual consent.

We are told that redistribution is to follow on the heels of the Plural Voting Bill. Now I have heard a good many of these undertakings and pledges, but as unfortunately they are all conditioned by time and circumstance, I hope I shall not be considered discourteous if I place rather less confidence in the promised scheme of redistribution than might otherwise be the case. I have been asked by Radical members why we are so anxious for redistribution seeing that it "is just as likely to be as advantageous to us as to you." From the point of view of the ordinary Member there is a great divergence between this Bill and redistribution. The results of a plural voting Bill are clear and simple. Each Government supporter can go down to his constituency and tot up the numbers. He discovers that by the abolition of plural voting he would be 100 or 200 votes to the good, and he comes back to the House of Commons blazing with indignation against the plural voter and burning to redress this terrific wrong. It is very different with regard to redistribution. It is all uncertainty. A Member does not know whether there are going to be two constituencies instead of three, whether he will not be the one who is to be sacrificed, and every Member looks upon his own constituency as the linch-pin of the universe. It is these keen rivalries and uncertainties in the struggle for existence which explain why it is so vastly more difficult to pass a measure of redistribution through a representative Assembly than to apply the knife to the plural voter, a party advantage flagrant and palpable. When is this to be done? It is to be done towards the end of 1915, when, according to Lord Curzon, Ministers are arriving at that mental phase which is the necessary condition of all ageing Governments. An amendment was moved in the House of Commons suggesting that this measure should not come into force until a measure of redistribution had been passed. That amendment was refused. If the Government had accepted it, I should have placed much more confidence in their pledges as to redistribution.

Then there is a mass of other anomalies. There is the question of the returning officers' fees. That is a small matter, no doubt. I had the pleasure once of sharing a payment of £900 with my opponent in the Harrow division, which seemed to me a very large sum, in order that I might be returned or not returned to the House of Commons. Then you have the thirteen different franchises and the nineteen different varieties, charged with anomalies, as anybody who studies the electoral law must know. The greatest anomaly of all is the length of residence necessary for qualification. Take the last election in 1910. Only those people could vote at that election in 1910 who had been in residence since June, 1908. All those who had changed their residence during that time—and in a London constituency perhaps 30 per cent. of the electors may change their residence in a single year—were disfranchised, which is a gross and monstrous injustice; and if any alterations are made in the electoral law that matter surely ought to be dealt with at once.

In the face of all these anomalies I ask, Why are we asked to deal in this piecemeal manner with the plural voter? Why is our political retina to be so sensitive to the iniquity of the plural voter, so opaque to all other electoral grievances? Party advantage might at least take a short loan of the robe of statesmanship. Electoral machinery should at least have the virtue of inanimate things, and be a bad conductor to party passion. The measure is really directed against the cardinal principles on which our Constitution is based. That is why I moved my amendment in the House of Lords. That is why I have written this article. I want to give the Government a chance of reconsidering the Bill, and of introducing another measure based on a fairer and more national basis divorced from the sinister suspicions of Party bias and of Party gain.

PEEL.

OUR FOREIGN RELATIONS

By DIPLOMATIST

THE SUCCESS OF TURKEY

It was certainly a happy coincidence that the holiday season brought about a suspension of the Ambassadors' Conference just at the time when it became obvious that Turkey would not remain satisfied with the frontier line embodied in the articles of the Treaty of London. Had the Conference remained in session it would undoubtedly have been more difficult for Turkey and Bulgaria to come to terms. As it was the combatants were left to settle their own affairs, and if the result is not what Bulgaria would have liked to see, at any rate it can scarcely be otherwise than pleasing to Turkey, and must be regarded as a triumph for the Young Turk Party.

The new Turco-Bulgarian frontier is thus described by the Constantinople correspondent of the *Times* :*

The new frontier follows the course of the Maritza from its mouth to Mandra, where it crosses the railway and runs north and slightly west, passing close to Ortakeui, which will remain Bulgarian. Thence the line goes to Lefke, almost due north of Mustapha Pasha, which will thus be within two kilometres of the recovered Turkish territory. From Lefke the line runs to the nearest point of the old Turco-Bulgarian boundary, which is followed as far as the neighbourhood of Kaibilar. From Kaibilar it runs east to the mouth of the Resvaya at Sveti Stefan, with a slight deviation southward so as to leave the Malka Tirnovo district to Bulgaria.

Not only has Turkey defied the Great Powers with success, but she has also secured most of that part of Thrace assigned to Bulgaria by the Treaty of London, and repossessed herself of Kirk Kilisse and the historic city of Adrianople. More than that, she has wrested from her opponents the important strategical point of Dimotika, and made it most difficult for Bulgaria to reach her new seaport, Dedeagatch, by the suggested line of railway from Haskovo. Hitherto I have accepted the

* See issue of September 19.

policy laid down by Sir Edward Grey for Turkey and acquiesced in by the other Great Powers, and I still believe that the Enos-Midia frontier would have left Turkey a freer hand and enabled her more completely and effectively to employ her energies in consolidating her position in Asia. But I can quite understand how the abandonment of Adrianople, with its many historical and religious ties, would have been resented by all Musulmans, and I warmly congratulate Turkey upon the course events have ultimately taken. It may be, as the Turkish authorities would have us believe, that the position of Constantinople is strengthened rather than weakened by the inclusion in Turkish territory of Adrianople and Kirk Kilisse; at any rate it can hardly be denied that as far as aggression from Bulgaria is concerned the new frontier offers greater protection to Turkish interests than the one laid down by the Treaty of London.

That Bulgaria has suffered intensely all will admit, but she has only herself to blame for the situation in which she now finds herself, and one may be permitted to hope that the lesson learned will neither be lost on Bulgaria nor on the other Balkan States. It seems almost incredible that scarcely a year ago the victorious allies were actually at the gates of Constantinople and that Bulgaria led the way. Her losses in men and money have been heavy, and a long period must elapse before it will be possible to put into execution the spirit of revenge which King Ferdinand has not hesitated to instil into the hearts and minds of his subjects. Similar losses have been sustained by the other Balkan States, and these facts alone would seem to make peace assured for some years to come. That difficulties will arise on the Serbo-Albanian frontier goes without saying, and no doubt Serbia will be called on to make further sacrifices before order is permanently restored. But in regard to the Balkan States as a whole, it may be taken for granted that the Treaty of Bukharest and the subsequent understanding between Turkey and Bulgaria have settled the question of prolonged hostilities. Henceforth it behoves these nationalities to pull themselves together and each to work out its own salvation. For a time at least the warlike spirit has been subdued, and for some years to come the Balkan States may be expected to direct their attention to the ploughshare rather than to the sword.

No doubt we shall hear much unfriendly criticism of the Concert of Europe. It will be said that not only did the Powers fail to prevent war in the Balkans, but they were unable to enforce their demands. All this may be true, but it is beside the real point. The main objects the Ambassadors' Conference had in view was to confine the conflict to the Balkan combatants and to preserve intact the peace of Europe. In both these aims

the Concert was successful, and it is due to the Conference to say that it was the unity and cohesion that prevailed amongst the Powers from first to last that enabled this success to be achieved. At times Austria-Hungary and Russia found it extremely difficult to hold aloof, and differences of opinion arose between the groups on the merits and demerits of the Bukharest Treaty. But in spite of every provocation the Conference held together, and there is no reason to suppose that the new arrangement between Turkey and Bulgaria will, in any way, bring about a rupture. If one thing stands out in the matter of the Conference it is the close alliance that has existed between Great Britain and Germany. It is an open secret that these relations helped materially to bridge over the difficulties that arose between Russia and Austria-Hungary, besides having a moderating effect on the general situation. The German Emperor is too often regarded as a man of war, the very contrary is the fact. The weight of his counsel has been ever cast on the side of peace, and the success of the Conference was in no small measure due to the pacific influence wielded by his Imperial Majesty in all its deliberations.

THE BAGHDAD RAILWAY

The month has not passed without the usual crop of rumours about the Baghdad Railway negotiations. That negotiations are in progress, and have been in progress for some time past, is well known, but what does not appear to be common knowledge is the fact that matters have gone a long way beyond the spheres of Baghdad and Koweit. The line which has created more discussion than any line of railway in modern political history is no longer an isolated issue in the worlds of diplomacy and commerce. With it are connected all the lines of railway in being and in contemplation in Asiatic Turkey and beyond, and it is this larger question that is now engaging the attention of the Chancelleries of Europe.

It will be readily understood that so comprehensive a scheme cannot be settled within any specified period, and it may safely be said that some months must still elapse before any definite result is arrived at satisfactory to the different parties and powers interested. All that one can say without fear of contradiction is that matters are progressing smoothly and that the Balkan wars have not introduced any element of friction. With union prevailing and the Conference always available for discussion, there is every reason to believe that at no very distant day we shall see a final and satisfactory settlement not only of the Baghdad Railway but of the other lines of communication forming part and parcel of the combined issue.

When it is remembered that France, Russia, Germany, Turkey, and ourselves are all greatly interested both in the Baghdad Railway, as well as in other undertakings of a similar kind in Asiatic Turkey and beyond, it will be the more easily understood that the negotiations cover an extensive field. Moreover, before any general settlement can come, arrangements must be made between the various Powers themselves. One thing however may be taken for granted, no Power desires conquest, and political aggrandisement is not a matter at issue. On the other hand, it would be idle to deny that strategic principles can be dismissed from consideration. The real basis of the negotiations is the question of finance. So far as the Baghdad Railway is concerned the undertaking has been entirely financed by German banks, and many millions of German money are invested in that line. Other lines have been mainly financed by French and Russian money, while British gold has also been expended in opening up communications in the Middle East. All these matters have to be brought into hotchpot before a final settlement can be effected.

Of the parties interested perhaps Germany is least concerned with strategic points, neither can it be said that France sets much store on that account. It is otherwise with Great Britain, Russia, and Turkey. It may be that Germany is seeking to get back part of her invested capital, while it is well known that France has much spare capital to invest and is desirous of investing it in the opening up of Asiatic Turkey which awaits further development with feverish anxiety. Already Turkey has advanced along certain lines, and when peace is thoroughly restored within the Ottoman Empire there is little doubt that abundant money will be forthcoming. Great Britain, France and Germany are all looking for contracts in Asiatic Turkey, and much patronage will be placed in the hands of the party now in power in Constantinople. In these circumstances there is a natural tendency on the part of interested parties to make Turkey believe that Codlin is her friend and not Short. But the Turks are a shrewd people, and although they stand sorely in need of funds they are not likely to bestow their patronage without getting a *quid pro quo* and as much more as they can secure.

FINANCE IN PERSIA

Under the title of "British Advances to Persia" two very instructive articles have been contributed recently to the *Times* by that journal's correspondent at Teheran. From this source one learns a good deal about Persia's financial liabilities. It appears that on a five per cent. gold basis Persia's foreign indebtedness is about £5,000,000, and that she has other liabilities

on a silver basis bearing interest at the rate of seven per cent. The correspondent discusses the possibility of a new Persian loan of £6,000,000 issued at 87½. This, he calculates, would leave Persia with £3,000,000 in hand after applying the balance to the repayment of various existing debts. The suggestion is also made that Persia should consolidate and convert her existing debt not on a five per cent. basis, and that a longer time be given for repayment.

Commenting on the proposal in a leading article the *Times* inclines to the view that the actual sum in hand would probably be considerably less, and observes that the entire available Customs revenue would not suffice as security for the whole debt: it would therefore be necessary to provide collateral security. In any case the project "could only be successfully adopted if the Persian Government showed a more resolute determination to set its financial house in order. It will not be facilitated by further obstruction of M. Mornard, the Treasurer-General, of the kind recently disclosed. His request for a large increase in the European staff of the Treasury must be met as a prelude to any negotiations for a new loan. Persia must institute a thorough reform in her methods of collecting internal revenue, and the gatherers of the land tax, with their mysterious sheaves of paper in lieu of books, must give way to more modern expedients. A more effective control over expenditure must be devised. Persia, in short, must substitute an honest and ordered system of national finance for her present muddled corruption."

With these conclusions no one is likely to cavil, and as the writer correctly says, "given these changes," there is no reason why the proposals should not "obtain a fair hearing." Without doubt "we cannot hope to set Persia on her feet again by doling out small sums to her at seven per cent." At the same time something must be done if Persia is not to collapse before our eyes. Two alternatives face us, either we must provide financial assistance or enter into military occupation. It is for the Government to decide which alternative shall be adopted. Of one thing, however, we may rest assured, that on the score of expense there is no comparison between the two. Not so long ago Sir Edward Grey, when answering a question in the House of Commons, was unable to give any assurance of the success of the Swedish gendarmerie, and partition has already been proposed by the Russian Government. But partition involves the abandonment of the Russian and British pledge to preserve the integrity of Persia, and is strongly resented in this country.

So far as one can see the better way to deal with the position is to place Persia in the way of helping herself, and this can only be done satisfactorily by a loan. Steps then should be

taken at once to sound Russia on the point and to see if the money cannot be raised by a joint guarantee. Should Russia decline to entertain the suggestion then Great Britain must act on her own initiative. There is no time for delay. The situation is serious and immediate action is required.

ANGLO-GERMAN RELATIONS

The mischievous article appearing under the name of General von Bernhardi has been well answered by the *Cologne Gazette*, and there is reason to believe that the answer is authoritative. That we have treasonmongers in our midst we all know, and that there should be found a writer to put forward the view that in the event of war between this country and Germany the latter nation will find allies within the enemy's camp occasions little or no surprise. Such a man was Patrick Ford, and it passes comprehension that Mr. Redmond should have addressed a telegram to the relations of the deceased dynamiter describing him to be one of the purest patriots and the best man that ever lived. If the acknowledged leader of the Home Rule Party can so degrade himself in the eyes of all loyalists, is it surprising that one of the rank and file should seek to emulate the master-mind? But, as the *Cologne Gazette* very rightly says, "the overwhelming majority of the German population altogether repels a war of conquest against England."

Both the Prime Minister and the Leader of the Opposition have repudiated even the thought of hostilities between two nations so closely allied by ties of blood, religion and civilisation, and this opinion is re-echoed in the hearts of all thinking people on this side of the Channel. It is therefore unfortunate that any German officer should have treated seriously so obviously an inflammatory article. At the same time it is an ill wind that blows no one any good, and it is satisfactory to note that the German authorities did not fail to seize the occasion to place on record the true feeling of the German people for the British people. Moreover, the time was singularly inopportune to raise an issue of this kind. Not only are the two nations in the closest relations of amity and friendship, but, as we have seen during the sittings of the Ambassadors' Conference, these relations have materially assisted in preventing intervention in the Balkan war, and so preserved the peace of Europe.

At no time in recent years have Anglo-German relations been on a surer footing. And it may be taken for granted that should a Unionist Government be returned to power at the next General Election every encouragement will be given to a furtherance of the happy condition of affairs. The old policy of pin-pricking

has died a natural death, no longer is a British busby or German helmet seen at every difference that arises between the two nations. When one compares the hostile sentiments expressed in the Press of this country, Liberal and Conservative, at the time when the first proposal was made of British participation in the Baghdad Railway enterprise with the calm and dignified manner in which that and similar questions are now discussed in our public organs, it is easy to see the advance made. Even the naval programmes of the two countries no longer lead to friction, while in some quarters the possibility of an *entente* is seriously entertained. The French Press too has ceased its campaign against closer relations between England and Germany, and has come to see that a better understanding between the two countries in no way implies a rift in the British *entente* with France. Again Russia, Germany and ourselves are pulling at the same end of the rope, and there is a general feeling abroad that the present system of grouping amongst the Powers, makes for peace.

Commercial jealousies there must and will be, and commercial rivalry is all for the good of nations and of the world. In commercial matters Germany has learned much from us and we in turn have learned much from Germany, but unfortunately we do not always take advantage of the knowledge acquired. For example our foreign, even our colonial, trade would to-day be greater in volume had we not been so conservative in our methods of trade. We have not always done what the Germans have done, manufactured to meet the requirements of our customers; we have manufactured on the principle that our way is the best way, and if other people don't like it they may go elsewhere. Well, that is exactly what some of them have been doing. They have taken German goods because the goods suit their markets better than British goods. Much water has flown under London Bridge since I first called the attention of the British public to the lack of interest shown by British trading houses in pushing their goods oversea. Since then we have seen a change. Not only have commercial travellers spread the gospel of British trade, but commercial attachés have come into existence at the Embassies, and British Consuls are now the rule rather than the exception. But it has taken a long time to wake up the old country. German travellers were all over Australia and South America when our representatives could be numbered on one's fingers. True, we are advancing; but we have much leeway to make up, meanwhile Germany is retaining her old customers and making new ones.

All this, however, is friendly rivalry, and helps to bring the two peoples together. Let us see to it that nothing is done on either side to put back the clock. Isolated cases of differences of

opinion there will always be, but of one thing we may rest certain, that the great majority of people in the two countries are friendly disposed one towards the other, and the idea of war is regarded by both nationalities as unthinkable.

Since last I wrote a good deal of opinion has appeared both in the British and the German Press on the decision of both Governments not to take part in the San Francisco Exhibition. It is said that American sentiment will be hurt, and that countries not exhibiting will lose many commercial opportunities. Personally I do not share this view, and while I fully sympathise with those firms desirous of exhibiting and who would naturally prefer to exhibit under Government auspices, I also appreciate the view taken by the great majority of commercial men that the proposed expenditure of public and private money is altogether out of keeping with the advantages to be gained.

Again, it is essential to the prestige of many business houses to keep their newest inventions in their own hands, and exhibitions do not conduce to this end. That, however, is perhaps taking rather a narrow view, and I have not seen it put forward. All the same there may be something in the suggestion. In any event there appears to be no likelihood of a change of policy either on the part of this country or Germany, and if that be so it may be taken for granted that the commercial world as a whole is satisfied with the position as it stands.

DIPLOMATIST.

THE NEED OF INDIA TO ENGLAND

By EDWARD E. LONG

WE hear a great deal about the need of England to India, and rightly, but that need does not displace or overshadow another need—that of India to England. The question is asked sometimes, in all seriousness, whether it pays England to retain India, or rather, to retain her hold upon India. It is not going too far to say that had it not been for India England could never have become the Power she is to-day. To what level she might have attained it is impossible to say, but in the light of history, it is perfectly plain that India—the East—furnished that incentive to progress and development of which England stood in need towards the end of the sixteenth century, and without which she could have built up neither a great overseas trade nor a great overseas Empire.

It is perfectly true that the discovery of the New World convulsed England, as it convulsed other European countries, and turned the thoughts of Englishmen to schemes of exploration, conquest and gain, and that with these ideas in his mind William Hawkins voyaged, in the year 1530, to Brazil, to be followed later by his two sons. But the fact remains that the first real experiment in the direction of exploration which was made in the reign of Elizabeth was the attempt to find a new passage to India. The exploit of Vasco da Gama, leading to the establishment of Portuguese dominion in the East by Cabral and Albuquerque, had fired the English mind with a set purpose—that of discovering another route to the East, that to England might fall this honour and the opportunity of sharing in the rich Eastern trade. So it was that in the year 1567 Martin Frobisher set sail in two frail barks of twenty-five tons each, and a pinnace, north-westwards, across the Atlantic—to fail to find the North-West Passage, but to discover Frobisher Strait, leading to Hudson's Bay, and to take possession of the neighbouring coast, in the name of Queen Elizabeth, thus laying the foundation of the British Empire. And before this, Sir Hugh Willoughby and Richard Chancellor had started with three ships from the Thames for an "intended voyage to Cathay" by the North-East passage, failing,

likewise, to find the object of their search, Willoughby landing in Lapland, to perish of cold and hunger ; Chancellor making his way to Archangel, thence overland to Moscow, to set up negotiations there with Ivan the Terrible, which resulted eventually in the foundation of the Muscovy Company and the visit of the first Russian Ambassador to England.

Then, in September 1588, came home to England, from his voyage of adventure, Thomas Cavendish, to tell of a marvellous commerce with India, China and the Spice Islands of the East, and of the manner in which it was to be gained, not by frozen Northern routes, to the East, or the West, but by the route followed by the Portuguese. Cavendish dared his fellow-countrymen to flout the Pope's decree of a century before and beard the Portuguese Douglas in his hall ; and he succeeded. We all know how in April 1591 the merchant adventurers of London sent their ships forth, under the command of Captain George Raymond, to voyage to the East—the *Merchant Royal*, the *Penelope*, and the *Edward Bonaventure*. It is true that the voyage, as a trading venture, was a failure, that after a few months sickness forced the *Merchant Royal* to put back, that the *Penelope* went down in a gale, with the gallant Raymond, but the *Edward Bonaventure*, after passing through terrible experiences, managed to reach England, and though her cargo was half ruined, the fact remained that she was the first English craft to bring home spices from the East direct, and this full twelve months before the Dutch, so soon to be our great commercial rivals in Eastern and Far Eastern waters, had despatched their first expedition to the East. A great feat had been accomplished, one of which Englishmen might well be proud ; it led to the birth in Founders' Hall a few years later of the Honourable East India Company : it was the fore-runner of a policy which was to make England the greatest trading Power in the East.

Trade led England to India, and having led her there, it led her into various other enterprises, which resulted eventually, in the acquisition of territory, as apart from trading privileges, and laid the foundations of a British Indian Empire. Step by step that Empire grew. Force of circumstance led to its growth, the wars with France, the extension of British protection to threatened Indian rulers, and sometimes the misgovernment of an Indian chieftain. It was not so much by sheer conquest that Britain's Indian Empire uprose, it was the result of the situation in which Englishmen in India found themselves from time to time ; it was the natural concomitant of their presence in the country. For a long time it was not realised by the officials of the Honourable East India Company, either in India or in England, and particularly in England, that the time would come when the policy

of trading to the best advantage with the people of the country would be abandoned, giving place to a policy of direct British rule; the consequences of such an assumption, English people as a whole are but beginning to realise to-day.

The successful attempts to open up a trade with India marked the commencement of a new era in England. Prior to this the Englishman's world had been a very small one, and now it had become very large. "The boys of London," we are told by a well-known authority on the London of Tudor days, "playing about the river stairs and the quays, listened to the talk of men who had sailed along these newly-discovered coasts of a new great world, and had seen strange monsters and wild people. In the taverns, men—bearded, bronzed, scarred, grave men, with deep eyes and low voices who had sailed to the Guinea Coast, round the Cape of Hindustan across the Spanish Main, over the ocean to Virginia—sat and told youths, with flushed cheeks and panting eager breath, queer tales of danger and escape, between their cups of sack." When the first vessels came home from the land of the Great Mogul, their voyage was a subject of general discussion throughout the country, and, as Mr. Beckles Willson says, in his admirable volume 'Ledger and Sword': "The declaration of their profits elicited the admiration and cupidity of the nobility and gentry. Not here and there a bold, dashing spirit, but the whole Court was now ready to join hands with the merchant adventurers of the London guilds in what they called the 'fit and proper pursuit of riches in the East Indies.' The East India Company had been an attractive mystery to the English middle and lower classes. It now came to be the vogue at Court."

The value of India to England at this period cannot be over-estimated. It brought trade and commerce into estimation among the nobility and gentry of the nation which gave it an impetus it never lost, it gave birth to a spirit of daring and adventure which in a few score years had carried the British flag almost to the uttermost ends of the earth, and it awakened in the hearts of Englishmen that desire of expansion—of extension of the might and power and justice of the Motherland, in the guise of possessions overseas, which slowly gained in force until it led to the establishment of the greatest Empire the world has ever seen. If there is one thing above all others we as Englishmen have to thank India for, it is for drawing us out of ourselves—out of our insularity, into a wider sphere of action; for having given us scope to prove the capacity and quality of the English character; for having given us the opportunity of making the greatest, most daring, and, let us sincerely hope, the most successful experiment in government the world has ever known.

Let us glance at the consequences of the visit of early English traders to India, their expansion, and the establishment, eventually of England as the paramount power in the country. To sum them up in a single sentence—they raised England from a position of inferiority to that of a first class Power. Having been enabled to defeat the French and to break their power in Southern India, in turn we were enabled to defeat Napoleon—to prevent the accomplishment of the great Oriental project he had at heart! to foil him at home, by frustrating him abroad. Our situation in India enabled us to defy the Portuguese and the Dutch, and to enter upon a new phase of existence, as a great Oriental Power—as Mistress of the Indian Ocean. One thing above all others was necessary for the extension of the British Empire in the East: supremacy in the Indian Ocean. This has been obtained.

Throughout past ages the Indian Ocean has played a great part in history. The Power controlling it has controlled its trade, and that trade has excited, in turn, the desire of many nations. And many nations have endeavoured to obtain control of the Indian Ocean, or, at any rate, advantage therein: few, however, achieved much success until the advent of the Sassanids, Islam and Britain. To the wonderful hand of Punt, the fabled Ophir, the ancient Egyptians turned their thoughts, and Sankh-ka-Ra, of the eleventh dynasty, 2500 B.C., sent thence an expedition of which Hanhu gives us an account—a description of what is to us the first expedition to sail into waters of the Indian Ocean, and interesting it is. A thousand years later it is said that an Egyptian queen sent a fleet on a similar errand, and we know that Rameses III., during his reign 1200 to 1168 B.C., sent two maritime expeditions against Arabia, when, to quote the words of the old chronicler: "There were tens of thousands of every kind passing through the great sea at Kati." We know, too, that Necho II. began to build a canal from the Nile to the Red Sea, sent out a Phoenician fleet to circumnavigate the coast of Africa, and maintained a fleet in the Arabian Sea, as well as in the Mediterranean. The value of the Indian Ocean to the Hebrews is to be gathered from the attempt made by them to command Akabah, by means of the city Elath, and the maintenance of a fleet by several of the kings of Judah. The Persians, led by Darius, penetrated India by land, but refrained from venturing an expedition by sea, until with a later race came other ideas. Nearchus voyaged from the Indus to the Euphrates, with little result, whilst, on the other hand, the Romans developed a not inconsiderable trade in the Indian Ocean by means of their possessions in Egypt and Arabia, though they never achieved anything like naval supremacy, and China, too, from her side, some two and a half centuries after Christ, made trade descents

into Indian waters and continued, for many centuries afterwards, to exercise an influence in the Indian Ocean.

The Indians of those times did not remain passive spectators entirely of the development of trade in the waters washing their shores, and essayed to play a part in retaining a share ere it was too late, and a bid for nautical supremacy and national expansion was made by the Malay, *orang laut*, the man of the sea. Then the Sassanids, when they had raised Persia to the rank of a great power commanding the Persian Gulf, obtained a monopoly of the Indian Ocean trade. In due course this passed to the Arabs—to Islam. Islam developed the trade monopoly, but aspired to something greater—to conquest, the extension of the Empire of Mahomed. In the eighth century an expedition crossed from Arabia to Sind, conquered that province, and first established the power of Islam in India; in succeeding centuries the symbol of the Crescent was carried further East—to Malaya, the Philippines, and to China, the honour of carrying it passing from the Arabs to the Othmans, from Kasim, and those who followed him, to the admirals of Suleiman the Magnificent, to Piri Reis, Sidi Ali, and others, who not only won empire for Islam, but advanced the cause of human progress by their valuable contributions to the science of navigation. Followed the Portuguese, those daring navigators, on their heels the Dutchmen, and the French and English—the latter to stay.

Our position in India alone enabled us to obtain supremacy in the Indian Ocean; that supremacy gave us the opportunity, holding India as the great base of our operations, of extending the Empire throughout the waters of the Indian Ocean, and beyond, in the Pacific, and in the China Sea. Without that supremacy, the British Empire, as we know it to-day, could not have existed. It is exceedingly unlikely that Australia would have passed into British hands; the Dutchman was there first, other European powers were jealous, France especially, and Australia could never have remained English had it not been for the presence continually of a strong naval force in Eastern waters, made possible owing to our position in India. Had it not been for India, and our naval supremacy, South Africa would either have remained Dutch, reverted to Zulu, Kafir, or other native rule, or fallen into the hands of some other European power. Then what was it but our position in India that enabled us to obtain such a strong hold of the China trade, resulting, eventually in the acquisition of Hong Kong and valuable trading rights in leading Chinese ports? which enabled us to bring Burma and her trade under British sway, and, lower down the Peninsula, the Straits Settlements and the Federated Malay States—the scene of that latest amazingly profitable commercial venture, the rubber industry?

A foothold was obtained in Java and Sumatra, to be given up by those who failed to understand the sound policy of Sir Stamford Raffles and the potentialities of what are now the Dutch East Indies. Ceylon was gained, and held, eventually, and further south, Mauritius and the Seychelles, whilst settlements were made along the coast of East Africa, and had it not been for the anti-colonial expansion policy which prevailed in the middle of last century, and later, much other territory might have been made British, thanks to our strength in the Indian Ocean—in India.

Passing from what may be termed the general political aspect to another phase of the need of India to England—the commercial use, it will be recognised that the very existence of our present highly-favoured and extremely profitable commercial dealings with India depends upon the maintenance of British rule in India as the paramount power: now let us analyse those commercial dealings, and enter, also, the industrial domain, for the purpose of determining the worth of India to England, firstly as a market for her manufactures, secondly as a producing-ground for the supply of raw material, food and other products, and thirdly, as a field for investment.

As a market for British manufacturers, India is far and away the best the British manufacturer possesses. Not only does she take more imports from the United Kingdom than the whole of the colonies put together, but the United Kingdom sends more exports to India than to any other country in the world. This is a point every British merchant and manufacturer should bear in mind. If India should be lost to the Empire, England would have lost its best customer. We have grown so accustomed to the retention of India as our best market, that we are inclined, at times, to overlook the fact: it is essential that every Englishman should realise just what India means to him individually in this respect, as his country's best customer; he should then be better able to arrive at a proper estimation of India's worth to England.

Then as to India as a producing-ground for raw material. Here we have to deal with a situation which is rather different, for valuable as India is to the United Kingdom in many respects, regarding the supply of raw material, she might be rendered far more valuable. Here we are face to face with a question of more or less problematic character, for the potential wealth of India as a producer of raw material might well dwarf the wealth which is represented in her raw material supplies of the day. I do not intend to enter the field of fiscal controversy and endeavour to portray what might be the result were a system of Imperial preference to be extended to India in this direction, for Imperial preference could not be introduced into one field and

excluded in another, and whatever the profit might be to England, were a system of Imperial preference to be applied to the furtherance of Imperial interests in the increase of India's supplies of raw material, the application of such a system to Indian imports would not, probably, achieve such a satisfactory result, having regard to the fact that Indians are tariff reformers, naturally, in the sense that they wish for a limited protection for Indian industries and Indian manufactures. But apart from the question of India's potential wealth in the matter of the production of raw material, we have the very large and valuable stream of raw material exports now issuing from that country. Not to the United Kingdom alone, it is true, but to the United Kingdom in a much larger stream than that which flows to any other country. All the raw jute our manufacturers consume is imported from India, also all the lac we use, and the imports of hides, wool, cotton and oil-seeds are very large, and they are increasing.

India possesses what is, practically, a monopoly of raw jute and lac, and in this respect she has benefited us greatly, owing to the fact that the bulk of her exports of these materials has found its way into this country. In regard to these products, there is, probably, not a very wide field for the extension of supplies, seeing that we get from India at present all that we can take, but with regard to the production of other raw materials, there is a great deal to be done. India is suffering at the present time from the lack of capital, and the absence of that improved method of cultivation which follows in capital's train or which should follow therein. Efforts are being made to introduce more economical methods of cultivation, to ensure a greater and a better output and at less cost, but the absence of capital must deprive these efforts of the consummation desired, and this is where India, whilst benefiting herself, might also prove of greater benefit to England in the future than she has been in the past. She has broad acres enough, and more than enough, probably, to render the looms of Lancashire independent of American supplies, certainly, in combination with Egypt, and other cotton-growing lands of the Empire, she could render Lancashire independent of foreign supplies—it is but a question of capital, making it possible to supply the right kinds of cotton, and at the right price.

As for food and other products, there are wheat, sugar, tea, coffee, tobacco, rubber and rice. Wheat we import already in very large quantity, but we could well import a much larger amount, India has lands sufficient for the purpose. Sugar has not been a highly profitable industry in India up to the present, despite the protection afforded by countervailing duties, but with the introduction of English capital on a larger scale, and improved methods, the careful cultivation of better and more prolific

varieties of cane, and the adoption of a more economical process in the extraction of the sugar juice, there should be good results—a good return on the capital invested. Perhaps no very great expansion is possible in the tea trade, for already from India and Ceylon we take ninety per cent. of our tea imports, but there is no reason why any tea from Java, China and Japan should be consumed in the United Kingdom, seeing that teas of all flavours and the finest description can be grown in India. A vast amount of English capital, and, one is glad to note, an increasing amount, is locked up in Indian tea, and the income earned thereon is another of the sources of benefit we derive from India, apart from the benefit our merchants derive from what is almost a monopoly of the Indian tea trade. Indian coffee has suffered so severely from Brazilian competition as to lead one to doubt its profitable exploitation without some preferential duty; and of Indian tobacco the same may be said, in fact, in regard to this product, owing to the British duty on tobacco being charged at so much a pound, instead of *ad valorem*, it suffers very severely, since it is of low value. Redress in this direction might enable a profitable trade to be carried on, and give an opening for the introduction of further English capital. In rubber, in Southern India and Burma, much English capital has been invested of very recent years, yielding good return. Succeeding years should witness investment on a larger scale, for there is ample room for it, and the present price of rubber justifies continued planting, in spite of the large areas in various parts of the world already planted with rubber. The rice trade with India, which includes, of course, Burma, is too well known for me to refer to it, other than to mention that it is one which is exceedingly valuable, and that in this, as in many other Indian products, large fortunes have been accumulated by Englishmen, to be spent, probably, in the Mother Country.

Another field for the investment of English capital lies in the exploitation of India's mineral resources. To a limited extent, there has been exploitation already, but the field is so large that there is room for far more to be done, in fact, in some directions, the mineral wealth of the country has scarcely been tapped. The more prominent mineral industries in India which are being financed by English capital are those of coal, oil, gold, mica and manganese. The coal industry is one in which a genuine increase must take place in the course of time, offering a field for the further investment of English capital, and the same may be said of the oil industry, which is confined chiefly to Burma. Most of the capital now invested in it is English, the Burmese well-owners having been largely bought out by English companies, and exploration undertaken resulting in the opening-

up of new oil-fields. The market for petroleum in India is a very large one, and it is ever increasing. In the course of the last quarter of a century the consumption of foreign petroleum has declined largely, until now it is very small compared with that of the home product. English capital is still being directed to the Burma oil-fields, and should it proceed thither on a scale sufficiently large, we may hope to see the Indian petroleum industry expand so as to provide petroleum in quantities not only sufficient to satisfy the entire home consumption, but further, to provide a source of oil-supply from which the whole Empire can draw. It is said that the day of oil-fuel is to come, and in that day the petroleum resources of India should prove to be one of the greatest of the Empire's assets.

The history of gold-mining in India is like the history of gold-mining in many other countries, one of ups and downs, with eventual success, and to-day the Kolar gold-fields can claim the reputation of being one of the best-worked and up to date gold-fields in the world. There remains, however, a great deal to be done in the direction of gold-mining in India in various localities, and here is a very suitable field for the introduction of further capital. These remarks apply, also, to mining for precious stones. In Burma, rubies and jade, in Kashmir, sapphires, and in Central and Southern India, diamonds and other precious stones are found in paying quantities, but with the exception of one or two properly organised companies, notably the Burma Ruby Mines, Limited, there have been no well-directed efforts on a large scale to win this form of wealth. In days gone by, the richness of India in gold and precious stones was proverbial, the famous mines of Golconda were known by reputation throughout the world, and there should be a rich return on all further capital properly invested in mineral exploitation in this direction in India. The mica industry is one that is unique. India is fortunate in being the only country to possess, in large quantities, deposits of ruby-coloured mica, which is the best. They have been worked for generations, but in sporadic and wasteful fashion, yet India, in the production of mica of all grades, heads the list and contributes half the world's supply of this most valuable and useful mineral. Here, again, is an opportunity for the lucrative employment of English capital, coupled with scientific method. The manganese industry of India is the second largest in the world, and it has been worked up very thoroughly, a large amount of English capital having been invested therein. At the present time, with the prevalent low prices for the metal, any great expansion of the industry is not possible, though at any time a rise in price might make that expansion possible and profitable.

There remain to be considered of India's mineral deposits,

iron, copper, graphite, tin and wolfram. The deposits of iron ore in India are large and scattered, and up to the present little has been done to tap them. A distinguished Parsee family, the Tata family, has embarked upon a great iron enterprise, as one may term it, in Central India, which, one hopes, will be successful, and upon which the future of the iron industry in India may be said to depend. India, in the past, had a great name for her iron and steel manufactures, and there is no reason why, with modern methods, and coal for fuel, she should not recover it to-day, and it may be that ere long English capital will help to place her iron industry on a sound and profitable footing. Graphite and tin are worked in small quantities, the development of the tin industry being one of very recent date. The chief deposits of tin are those of Lower Burma which are, without a doubt, of the same nature as those which run along the western shore of the Malay Peninsula in the Siamese and the Federated Malay States, and whence the greater portion of the world's supply of tin is drawn. There is no reason why we should not expect great things from the tin deposits of Lower Burma; certainly the field for investment they offer, with tin, now, at a higher value, ought to prove a tempting one. Wolfram has been found of late in Burma and in the Central Provinces, and in both districts it is being worked on a large and profitable scale, but the industry is capable of expansion. The copper deposits of India are the only mineral deposits that have been neglected, and this despite the fact that they occur in large quantities and that they were worked, once upon a time, with profit. Copper ores depend for successful treatment on the utilisation of the by-products, and for these by-products there has not, of late years in India, been a demand to ensure a profitable sale, but with the industrial expansion that is taking place now, there should be a demand for the by-products of copper which should make copper-mining a successful undertaking and attract capital thereto from England.

Before passing from the subject of the investment of capital, one other field must be noticed, in which an enormous amount of English capital has been invested and upon which a handsome return has been made—that of Indian Railways. Here, English capital and Indian labour, for the railways of India give employment to hundreds of thousands of Indians, has proved to be a most profitable combination, and whilst good dividends have been won for the English shareholders, travelling accommodation has been provided at rates far cheaper than those demanded from the travelling public in this country, and the problem of freight transportation, a serious one in India prior to the introduction of the railway, has been solved in a satisfactory manner, whilst railways with irrigation have largely solved the famine problem.

And the capital of English investors in India is not confined to railways. In loans of various kinds, for works connected with the development of the country, a large sum of money is locked up which yields a safe and a good return.

The tale of India's worth to England is not yet fully told. There remains its value as a sphere of occupation, and a great training-ground, for the pick of England's youth. No one will deny that had it not been for India, that wonderful body of civil servants, the Indian Civil Service—a thousand ruling an Empire—would never have been called into existence, and one of the greatest and most successful experiments in government would have remained unessayed. The service of the Indian Civil servant is not all to India; it is in part to England, and just how much we owe to him and to the high standard he has always set it would be difficult to estimate. Then there are the Indian Medical Service, the Indian Forest Service, the Indian Army, the police, the Educational Service, and the Law Courts offering attractive careers, with good emoluments, to clever and enterprising young Englishmen. In an unofficial sphere, are the tea and rubber plantations, the various mining, banking, insurance commercial enterprises, holding out the prospect of a most lucrative career to young men from England, and a career which cannot fail to open their eyes, make them less insular and more broad-minded, and lead them to acquire a sense of responsibility they might never have gained had they remained in the Mother Country—and to become greater citizens of the Empire and better men.

England has need of India—India has need of England. Let us realise this, let us understand that the relations necessary to success are those of a partnership, in which the qualifications of the partners are thoroughly understood and admitted on both sides; in which there is every intention to be absolutely fair, since each, by the other's fair dealing, stands to gain.

EDWARD E. LONG.

GOVERNMENT UNDER DIFFICULTIES IN AUSTRALIA

By F. A. W. GISBORNE

THE results of the General Election for the Senate and House of Representatives in the Commonwealth of Australia, and those of the Referenda taken simultaneously with them, have been somewhat negative. They afford complete satisfaction to no political party or class of citizens. The revolutionary activities of militant trade-unionism have sustained a severe check, and this is a hopeful sign. But the snake, though scotched, is far from being killed. The industrious and law-abiding citizen of Australia remains in no better position than the Indian agriculturist near the north-west frontier immediately after the repulse of a tribal raid. He enjoys for a time peace; but it is peace with tremors. His security depends on the vigilance of a minute garrison, that may even be forced to beat a retreat and leave him unprotected.

Possibly, for reasons hereafter to be given, the present situation may be prolonged for a year or two, but this is wholly a matter of conjecture, inasmuch as no precedent exists in Australian political history on which to base a definite opinion as to the course of future events. In one sense, both sides have come out victorious from the struggle; in another, both have sustained defeat. The apparent paradox will be elucidated later. In regard to the Referenda, the failure of the advocates of unification to carry their proposals is certainly, in a degree, satisfactory. The State fly has returned a second, rather hesitating, "no" to the invitation of the Federal spider; but it still keeps in dangerous proximity to the web. If the figures be accepted as genuine (and a considerable endowment of charity, or simplicity, is needed so to accept them), the majorities against the six proposals only averaged about 20,000 apiece out of some two million votes recorded in each case. The enormous number of votes rejected as informal is, by the way, a matter that seems to need explanation. How, for instance, in New South Wales (where, oddly enough, the greatest hostility to the proposed innovations existed)

there should be 73,683 persons, out of about 700,000 altogether who voted on the proposal concerning monopolies, so mentally deficient as to be unable to place a cross in a square opposite either the word "yes" or "no" seems more than strange. But the recent contest all through has been marked by many striking novelties, some of a distinctly unsavoury kind.

Succinctly stated, the position is this. The Labour Party went to the country, reluctantly and under constitutional compulsion, with overwhelming majorities in both Chambers of the Federal Legislature. It has emerged from the ordeal actually stronger, numerically, in the Senate, but in a minority of one in the House of Representatives. While all the eighteen vacant seats in the former were captured, or retained, by the socialistic forces, their opponents just succeeded, after a strenuous fight, in obtaining the smallest possible majority in the latter. Out-numbered by more than four to one in the Senate, the supporters of the new Government depend on the casting vote of the Speaker in the House of Representatives to save them from disaster in every crucial division. In the one chamber the numbers are 29 Opposition members to 7 Ministerialists; in the other 37 of the former to 38 of the latter. Thus the Speaker becomes temporarily the master of the situation. How precarious must be the life of a Government under such conditions needs no demonstration. A single sick supporter (and unhappily small-pox is abroad), and the vote of censure will be promptly moved and carried. No quarter is the humane and chivalrous rule of Labour political warfare; in other words, no pairs.

With the devotion of men who know that their political lives and salaries depend on their punctuality and obedience, the warriors of the caucus march, limp or are borne by their faithful comrades to the field of combat with the fidelity of the diecast immortalised by Aristophanes. Philocleon indeed foreshadowed the typical Australian democrat of to-day. Failure to appear when the summons to the division came would mean to him a rapid transformation from the status of Labour member in Parliament to that of labour member in the mine or factory—a most unwelcome change. He, therefore, fulfils his "legislative duties" with edifying punctiliousness. After all, they do not tax him greatly; he has no other business to attend to, and it is never necessary, save by way of advertising through the pages of Hansard his merits and abilities, to speak; he has only to vote, and he votes with machine-like precision.*

* Mr. Minahan, the President of the Labour Conference in Sydney, gave a lucid exposition lately of the respective functions of the delegates to the Conference and members of Parliament. After claiming for the Conference supremacy as an instrument of legislation over Parliament when his own party was in a majority

It might here be suggested with great humility that, in circumstances such as those just described, the early appointment by the Commonwealth Government of a staff of Parliamentary doctors, with a due complement of ambulances, invalid chairs and nurses, all maintained by the State, would be highly advisable. And before his formal acceptance by the Party organisation, each candidate for election in future should have to undergo a searching medical examination, so that he might be guaranteed a "fit" as well as "proper" person to represent the electors. Obviously, hereafter, supposing the present state of things to continue, invalids and weaklings, no matter how high their mental stature, will be dangerous political commodities, liable at any moment to cause party disaster. The member warranted sound—except perhaps in intellect, which in these days is a matter of minor importance—would, on the other hand, be a most valuable Parliamentary supporter, and one worth a dozen gout-stricken Pitts.

After this digression I pass on to a consideration of the existing deadlock and its possible sequel. At present there is peace; but it may truly be said—*Mars gravior sub pace latet*. Finding themselves in a minority of one in the House of Representatives on the announcement of the final figures after the late elections, Mr. Fisher and his colleagues very properly resigned, and Mr. J. Cook was commissioned by the Governor-General to form a new Ministry. This task the Prime Minister completed with expedition, the result being a combination fairly representative of all the talents of his party. The Ministry is remarkable, indeed for the wealth of Parliamentary and administrative experience shared among its members, and the high level of average ability. Mr. Cook himself has for twenty-three consecutive years been an active Parliamentarian, and has held important Ministerial positions on three occasions. The Nestor of the Cabinet, Sir John Forrest, can boast a record of public service extending over thirty years, and exceeding in duration even that of his political chief. For ten years he was Premier of West Australia; later he filled in succession the responsible positions of Postmaster-General, Minister of Defence, Minister of Home Affairs, Treasurer (on two occasions), and Acting Prime Minister in various Federal administrations. The new Attorney-General, Mr. W. H. Irvine, was formerly Premier of Victoria, and showed when holding that

there, he proceeded:—"Our powers and responsibilities are greater than those of the pledged representatives, for the Conference can make or unmake policies, while the elected and pledged representatives of the people have to confine their duties to putting the policy of the Conference before the people and voting for it in the Parliament of the country." In other words, according to this modest citizen, a Labour Conference is both cook, proprietor and Parliamentary waiter.

office unusual ability and resolution. His suppression of the great railway strike in the State just mentioned not many years ago proved that he was not a Minister of the flaccid kind too common nowadays, but able, when necessary, to deal sternly with lawlessness. He is, perhaps, the chief intellectual force of the Ministry, but the Minister of Defence, Senator Millen, and Mr. P. M. Glynn, the Minister of External Affairs, both have strong claims to share that distinction. Were an adequate working majority in both Chambers at the command of the new administration Australia might look forward to at least three years of tranquillity and wise and just government; but unfortunately these blessings have yet to be won.

The opening of the first session following the recent elections was marked by no dramatic incident. Proceedings, in the main, were purely formal. No programme of legislation, necessarily, had been prepared, and the request for supplies to enable the Ministry to formulate its measures during a brief recess was promptly conceded. Indeed the respective antagonists were too exhausted after their late efforts to plunge into acrimonious disputation. Mr. Fisher and his supporters did not attempt any surprise attack on their adversaries; * for obviously to knock a man down before he had had time to open his mouth were as impolitic as discourteous. One important piece of business, however, was achieved. A Royal Commission was appointed to inquire into matters concerning the late elections, to examine the electoral rolls, and to subject the claims of those who actually recorded votes to a rigorous scrutiny. Really satisfactory results, unfortunately, cannot be expected from the investigation, for the simple reason that a careful study of the late amended Electoral Act clearly shows that some of its provisions gave the knavish voter a free hand to engage in fraudulent practices with virtual impunity. A few words may be said concerning this remarkable piece of legislation. It deserves at least (by anticipation) an obituary notice.

In the final session of the Parliament lately dissolved, the late Government introduced and carried a measure which legalised several novel and drastic changes in the method of conducting elections. At a very considerable cost to the public, about a couple of million copies of a pamphlet of thirty-two pages, containing a *précis* of the amended Act, were printed, a copy being posted to each qualified voter in the Commonwealth. Under the new arrangements, while voting was not made compulsory,

* Since the above lines were written Parliament has re-assembled, and Mr. Fisher has moved a resolution of want of confidence in the new Government. Evidently the object is to obstruct legislation, particularly in the way of electoral reform.

enrolment as a voter was; and each defaulter, on conviction, was rendered liable to be fined £2 for his neglect. The privilege of voting by post, hitherto allowed for the benefit of the old, and those who were physically incapacitated, was withdrawn, and a system of "absent voting" was substituted for it. Exceedingly onerous conditions were imposed on the proprietors and editors of newspapers, printers and journalists.* These indeed might make the modern Australian rub his eyes and wonder whether Star Chamber days had returned. One might commend to certain Australian politicians a perusal of the *Areopagitica*. It is not inconceivable that, if their narrow views prevail, copies of such papers as the *Melbourne Argus* and the *Sydney Morning Herald* will ere long appear in the picturesquely mottled form in which the sheets of *The Times* are frequently seen to-day in St. Petersburg or Constantinople. Later, perhaps, processions of handcuffed editors and writers will be observed escorted through the streets on the way to gaol, there to learn political orthodoxy.

But apart from Press restrictions, the provisions concerning enrolment and "absent voting" have called forth, and justly, the severest criticism. A careful perusal of these must convince every dispassionate inquirer that they afford the amplest opportunities for personation and plural voting; and these opportunities were, there is too good reason to believe, largely utilised during the late elections. Enrolment cards, it must be remembered, could be obtained without difficulty, and in any quantity, simply by applying to any electoral official, or the nearest postmaster. Each claim to vote was considered sufficiently verified if the signature of one witness was attached. Objections to the inclusion of additional names was severely discouraged. In every case an objection had to be accompanied by a deposit of 5s., and should the electoral officer regard the objection as "frivolous," not only was the deposit forfeited, but the sum of £5 had to be paid to the person against whom the objection was laid, by way, apparently, of "intellectual and moral damages." Thus, while no real evidence as to qualification was required of the applicant, the Act carefully guarded his claim from effective scrutiny. That under such conditions "roll-stuffing" on a gigantic scale should

* As a sample, subsection 181A deserves to be quoted in full:—"(1) The proprietor of every newspaper shall cause the word 'advertisement' to be printed as a headline in letters not smaller than ten point or long primer, to each article or paragraph in his newspaper containing electoral matter, the insertion of which is or is to be paid for or for which any reward or compensation or promise of reward or compensation is or is to be made. Penalty, £500. (2) The words 'electoral matter' includes all matter intended or calculated to affect the result of the election and any report of the speech of a candidate if the report is or is to be paid for." A preceding section (172B) requires the furnishing of an exact return of these "advertisements," and the amount received for them, after an election, under penalty of a fine—for the proprietor of the offending journal of another £500.

be practised was inevitable. In Victoria just prior to the polling day, the certified electoral rolls contained no fewer than 830,286 names of voters, a number, on the authority of Mr. Graham, the State Minister of Agriculture, 100,000 in excess of the total adult population of the State.*

In the Oxley division of Queensland the Returning Officer observed with surprise that every adult inhabitant recorded a vote and a half, and many other similar cases might be cited. Political thaumaturgy never before worked such wonders. In several constituencies, especially those where normally the supporters of one party were in a decided minority, election day appears to have been Resurrection Day also, so many ghostly partisans trooped from the neighbouring cemeteries to cast their votes. Which of the two sides these spiritual visitants favoured most seems to be conclusively proved by several facts. Only a short time ago State elections were held in both Queensland and South Australia, and in each State the Labour party was thoroughly beaten. The figures in connection with the Federal elections, just over, show a complete reversal of the verdicts then recorded. The parties so recently humbled, gained decisive majorities in the contests for the House of Representatives and the Senate, and also carried the Referenda proposals. Quite miraculous powers of organisation must have been employed to achieve such results. If by these the dead were not made to walk, they were at least made to vote—a much more important matter.

The provisions for "absent voting" enabled the person whose name was enrolled as a voter for one division, but who happened to be absent from it on polling day, to vote wherever he happened to be in the presence of the local electoral official, after making a statutory declaration in a prescribed form. No evidence of identity was required; and if, by previous arrangement with his friends at home, the absent voter had enrolled himself under half a dozen different names of no particular rarity in as many different sub-divisions of his constituency, there was nothing except his political conscience, an indulgent monitor, to prevent him from multiplying himself into six distinct personalities. It was specially noticeable in one remarkable case how manfully the "absent" voters rallied to save a certain ex-Minister from defeat. One would have supposed that the community which he desired to represent was one of gipsies or commercial travellers. The results

* The Commonwealth statistician, Mr. Knibbs, has stated that the number of names of electors on the certified rolls in excess of the numbers of adults qualified to vote in the various States were roughly as follows: Victoria, 60,000; New South Wales, 60,000; Queensland, 30,000; South Australia, 17,000; West Australia, 11,000; Tasmania, 7,000. In all, therefore, the rolls, according to this excellent authority, were "stuffed" to the extent of 185,000 names of imaginary voters, a number representing nearly 10 per cent. of the full total of names on the rolls.

of the late elections might make a stranger wonder at the astonishingly nomadic habits of Australians, especially just before polling day.

The restoration, subject to reasonable restrictions, of the postal vote, the abolition of the privilege of absent voting and the thorough purification of the electoral rolls, are all urgent needs; and the methods of future enrolment require such amendment as will henceforth baffle the arts of practitioners of the "card-trick." A "clean roll" has been proclaimed one of the watchwords of the new Ministry. It may be hoped that the future electoral law in the Commonwealth of Australia may embody the principal features of the Canadian practice so as to minimise future opportunities for fraud and personation.* After the late exposure, the need for a drastic change is apparent, and the Government has pledged itself to exercise its best efforts to effect this before the next dissolution.

One beneficent reform Mr. Cook and his colleagues have already achieved. By administrative order the iniquitous and corrupt rule introduced by the late Ministry of giving preference to trade unionists in the Federal service has been stopped, and future appointments will be decided solely by merit. A minor yet still gratifying change, too, has been sanctioned by the Postmaster-General. The recently issued Commonwealth postage stamp which, not prophetically one may hope, depicts a dejected-looking kangaroo in sole possession of the Australian continent is to be replaced by another so designed as to satisfy both the aesthetic sense and the sentiment of loyalty.

In a few weeks Parliament will re-assemble, and then the real struggle will begin. Either the new electoral Amendment Bill or a promised measure to amend the Conciliation and Arbitration Act in the direction of depriving the Court of the power it now enjoys to order at its discretion the granting of preference to unionists is likely sooner or later to impel a crisis.† Neither of these measures will be accepted without strenuous resistance by

* In Canada personal application has always to be made for enrolment. Each claim has first to be passed by the assessors, and afterwards confirmed by the Court of Revision sitting in public. An appeal to a judge is allowed either to claimant or objector. On polling day the voter has personally to give his name and all necessary particulars, which have to be verified by the poll clerk. If this investigation gives satisfactory results, the voter is handed a ballot-paper taken from a numbered book, the stub of which remains bearing name, particulars, and the number of the paper issued, so that each vote can readily be traced. At the same time there is perfect secrecy. Every precaution is taken to prevent ballot-papers falling into the wrong hands, and to prevent tampering with ballot-boxes. No absent voting is allowed. Were the Canadian system introduced into Australia a repetition of the late abuses would be impossible.

† The proposed amending measure will only allow preference to be awarded to unionists when it has been proved that no portion of the union funds has been spent for political purposes,

the Opposition majority in the Senate. If rejected outright, the one so treated will, after the interval of three months required by the Constitution, be re-introduced into the House of Representatives and, when carried, sent up again to the other chamber. A second rejection, or vital amendment, would justify compliance on the part of the Governor-General with the formal request that would undoubtedly be made for a double dissolution. This seems, indeed, to be the only real way of escape from the existing impasse, but personal interests of a material and rather sordid kind, may be expected for a time at least to block the road to its adoption.

The Senate holds the key of the position. That body in political tone is overwhelmingly hostile to the Government. But each Senator is elected for a term of six years, and during that period he receives a comfortable official income of £600 a year, with extras and dignity thrown in. Eighteen members of the Labour majority have just been elected to these desirable positions, and under ordinary conditions would be sure of holding them for six years; while their eleven comrades, failing an exceptional crisis, would at least be sure of three years' enjoyment of both emoluments and privileges. These twenty-nine Senators, at a full caucus meeting, will exercise considerable weight, and will need the support of only four of their brethren in the other House to command a majority and determine the Party's course of action. They may, making due allowance for the promptings of human nature, be expected to vote for peace, with—to themselves—profit. Many of them, as well as some of their friends in the other Chamber, have just won, or held, their seats by very narrow majorities, and aided by influences of a truly miraculous kind, not likely to be repeated. A second appeal to the country would probably mean for them farewell greatness—and salaries. Some might even fail to pass successfully through the pre-election ordeal; for competition among the political workers is brisk where the enjoyment of Parliamentary plums are concerned. Thus there are many golden reasons to support an attitude of procrastination. True, such an attitude might rouse a considerable tempest outside. Political labour associations hungering for preference and other good things, would rage when they beheld their lions transformed into doves. But—*beati possidentes*—time fortunately exercises a soothing influence, and latent patriotic fires can be re-kindled in the legislator's breast when he is at length compelled to face his masters.

These considerations support the conjecture that the hostile majority in the Senate may decide on the observance of armed neutrality. Though willing to wound, it may fear to strike, lest the blow recoil on its own head. It may passively obstruct, but

at the same time refrain from rejecting or vitally amending the Government's measures. Free institutions at least provide inexhaustible opportunities for the waste of time. Should such Fabian or Jesuitical tactics be adopted, the Ministry will be unable to achieve anything heroic, and must patiently await a future opportunity. The single dissolution of the House of Representatives, a contingency much desired by the minority there, would simply imperil the advantages already gained. Even if, despite unclean electoral methods, a larger Government majority were secured, a hostile Senate would still stand in the way. A double dissolution or none is the cry of the Government's supporters; a single dissolution or none that of its opponents. The pressure of equal opposing forces may, therefore, result in temporary stability; and perhaps, on the whole, the country will be the happier for it. While positive benefits in the way of wise legislation may for a space be withheld, substantial benefits of a negative kind may be enjoyed by a long-suffering public. Just and capable administration can remove, or at least mitigate, many of the evils introduced under the late *régime*. Discipline and efficiency under judicious management can gradually be introduced into several now demoralised branches of the public service.* Waste will be checked. The law will not be enforced against political opponents and allowed—like sorrow—to sleep when violated by political friends. Immense sums will not be squandered, as in the recent Coal Vend case, over futile litigation solely designed to subserve party ends. The country, in short, after its late orgies will be allowed for a brief space to enjoy a rest cure.

Industrial Australia will then resume her profitable activities without fear of wanton and repeated disturbance. Patriotic Australia will welcome the pursuit of a policy which prefers the interests of the Commonwealth and the Empire to those of turbulent and lawless associations. All sober-minded, loyal and intelligent citizens in short, under such happy conditions, however transient they may be, will take heart, and, obeying Mr. Chadband's cheery exhortation, "be joyful."

F. A. W. GISBORNE.

* Not long before the resignation of the late Ministry an interesting little comedy was performed in the Northern Territory. A high official there, drawing a salary of £800 a year with £2 a day travelling expenses added, was also a member of a powerful trade-union, whose leaders, for some fancied grievance, ordered a strike at Port Darwin. The official referred to temporarily relinquished his official functions, and, in obedience to the orders of his unionist superiors, undertook "picket duty," with the object of preventing non-unionists from undertaking work for the Government by which he was employed. After the strike he was allowed to resume duty without receiving even a reprimand. One will not be surprised soon to see in Australia a Minister of External Affairs standing on "picket duty" at the entrance to the General Post Office to prevent unauthorised clerks accepting work from a Postmaster-General banned by a trade union!

ENGLAND'S BIRTHDAY

TO THE MEMORY OF WILLIAM SHAKESPEARE

By MYRA SWAN

IN an enchanting fantasy a man of letters * wrote in the June number of *The Cornhill* of Shakespeare's death-day, depicting it for us in the shape of a dream which presumably overtook him as he lay musing in April on the banks of the Avon, a dream from which he was awakened by the sound of Stratford's passing bell. I could have wished that his dream had somewhat emulated in length that of Master Bunyan and included in its theme the veritable birthday, for to the loyalists amongst us the two grow phenomenally from the same stem.

And it is not for nothing it pleases me to believe that Stratford's festival coincides with that of our patron saint. Shakespeare is not to me—despite an intense enthusiasm for the drama and literature—"the man who wrote King Lear." First and foremost he stands to me for England, and the gift which I took to the altar at Holy Trinity, Stratford, on that glorious April morning a few months ago, was a bunch of red roses for St. George and Merrie England. The latter, not always too merry nowadays, is not "lifted over all by the light sane joy of life," but we love her for what she was, and not the less for her stately and care-worn maturity. In the words of the 116th sonnet:—

". . . Love is not love
Which alters when it alteration finds."

Love for one's land should be an ever-fixed mark such as a child feels towards an ageing mother, and in laying those roses on the poet's tomb the sensation came to me that I was able to keep Old England's birthday too. They were as much a token of remembrance, as great a compliment to the genius of the man who had made this possible, as the sprigs of rosemary which were noticeable on the chancel steps.

Where else, I wonder, could England's birthday better be celebrated than in the sweet Midland place which lies so near

* The Ven. Archdeacon Hutton.

her very heart? London is not what it was in the matter of picturesque customs. The typical London cries of the present century are not those of the vendors of fruit and flowers, but party cries of persons who either bawl down the Government or appraise the sweeping reforms which threaten to devastate the country and turn it into a Valley of Destruction. Sentiment there might be considered superfluous.

But in Stratford there is more than a suggestion of a shore of yellow sands where one may lay up high and dry away from the tossing winds of legislation, and steeped in the equable atmosphere of a man who, in spite of his many-sidedness, preserved a marvellous impartiality towards politics and religion, and forget for a while the tempest raging on the main.

They live slow at Stratford. It would almost seem as if there were no clock in the forest. They still crown the May Queen there, and within a few miles of it some of the stately homes of England may yet be found in the possession of the same families which owned them in Shakespeare's time.

It will be noted how impossible it is to keep King William's head out of the memorial, and indeed I have altogether failed to deliver my message if I have implied that you can honour England without including consciously or unconsciously him who is so closely identified with her that the result of an attempt to dissociate the two would be the result which would have obtained had Shylock exacted at all costs his pound of flesh. Shakespeare, an upholder ever of Church and State, is virtually part of our Constitution. Destroy it, and many drops of Christian blood will be drawn.

During the session when a Bill was before Parliament to disestablish part of the Church of England, it was good to hear the unmistakable note of religion resounding above the triumphal trumpet-blasts at Stratford's Festival, for it was due as much to the dauntless spirit of the dead speaking to us from across the ages as the desire on the part of the living to do him honour. The service at Holy Trinity, on the birthday, was twice as impressive for the knowledge that it had been the parish church of the poet and his people; that he had been baptised there, and that it had been given him to be buried there. For all that he had listened to the lure of London, he never became estranged from his native place. He left it for a time to seek his fortune, but when the fortune was acquired his headquarters were made once more in the old spot. Somersby does not speak to us of Tennyson as Stratford speaks of Shakespeare. For some reason or other Tennyson seemed in a measure to lose touch with his birthplace after he tasted fame and attained manhood, but Shakespeare's can never have been far from his thoughts, and one of his first

acts when his purse made the purchase possible was to buy "the trimmest house in Stratford town."

Shakespeare was an actor living in a time when every member of the profession was just a popinjay to be pelted with epithets of opprobrium, and not always without cause, yet he was also a Churchman and honoured burgess of the town, as his father was before him; a patriot, a champion of the pure pleasures of the country-side, and even when forming the mouthpiece of a coarse-spoken age never descending to coarseness for its own sake. If there be truth in the rumours of his relations with the lady of the Sonnets, there is surely no one who will too hardly condemn an artist who was married at eighteen—too young to have found himself. Artists are notoriously unhappy, and if it were a fact that Shakespeare married ill, the more honour to him that he never deserted the wife of his youth, and that she was the companion of his latter days. At any rate, it is not the evil which he did that lives after him, neither, thank God, was the good interred with his bones.

Apart from his genius, he was a fair example of the great middle class which now-a-days is said to furnish the backbone of England; educating himself till he was fitted to be the companion of courtiers; content to start at the bottom of the ladder and by sheer hard work qualify for the position he reached.

Modern is the adjective which best expresses the world's transcendent geniuses. As in Paris you get the fashions of *après-demain* two years before they reach London, so you may meet any day mannequins clothed as Shakespeare creations which are more than up-to-date. Human nature is for all time. There is little difference between the rotund Colonel of Territorials of all our acquaintance and the fat Falstaff to whom we were re-introduced at the Memorial Theatre on the birthday night by Mr. Benson and his company, and we must look to it that the criticism may continue to apply to more elevating characters also. It is not Shakespeare who is in danger of being *démodé*. Guilty as he sometimes was of anachronisms, he himself will never become one. It is ourselves, our England, which in the slang of to-day is threatened with being relegated to the "back numbers." To keep her the current one should be the aim of all her sons and daughters. Let us not give our King cause to paraphrase the words put into the mouth of Henry IV. during the weary watches of a "white night," and exclaim, "How many thousands of my richest subjects are at this hour asleep."

There will doubtless not be lacking suggestions that this article would have been better named "England's Death-day"; if so they will fall on a deaf ear. In the inside of a week, I saw enough to convince me that if ever she is taken she will be taken

alive, not dead. A straw shows the way of the wind; the same spirit which kept the ribbons of the maypole fluttering told me so. The message was also tapped out, I fancy, to every receptive Imperialist with whom one rubbed shoulders.

The atmosphere pervading the organised procession to the tomb by day, and the audience by night, was highly charged with the best form of magnetism. Most of us were under the spell of the greatest magician of words. Whatsoever he or his representative had bidden us to do just then, we should have done it with our might, and all his behests invoke good citizenship. After the play in Elizabeth's reign the custom prevailed at the conclusion of each performance of all the actors kneeling on the stage and offering up a prayer for the Queen. Had that loyal subject Frank Benson chosen to revive that custom in the name of King George, I wager there would have been no dissentient voice, neither would there have been any "contras" to count had the motion been made to add a word of thanksgiving to the memory of William Shakespeare.

Nothing was more becoming to the spirit of my sojourn in Stratford than my leaving of it. Bound only for another part of Warwickshire, I stepped into a third-class compartment of a slow train which was to take me as far as Leamington. The compartment was empty save for the cloud of pleasant reminiscences which still buzzed around me. I was in no mood for ordinary companionship, which would only have struck a false note in the harmony, and the odds against extraordinary were long.

There came along presently an old woman so bent with age and rheumatism that she could hardly have climbed into the carriage unaided, yet if my memory serves me rightly, with hardly a grey hair in her head and wonderfully few wrinkles, considering her span of years. She was neatly dressed in beaded black, and her mind, it was patent, was as sweet and orderly as her attire. She reminded me of the simples I had lately seen growing in the garden of the birthplace in Henley Street—a bit of thyme which even when bruised emits fragrance, and it seemed quite natural that she should tell me of her many years' service with one of Stratford's old standards who, dying at the age of ninety, had bequeathed to her a musical snuff-box which had belonged to Shakespeare. There was no doubt as to its authenticity. Her master came of a long-lived race abiding in the place for generations, and it was because he set such store by his house-keeper that he left her this treasure even to the exclusion of his family. She was fortunately conscious, to a certain extent, what it was worth, and had been told that the Americans might give as much as a thousand pounds for it, but the greed of gold was

not in her, and although I would have been glad if necessary to try and put her in the way of a high bidder, it was refreshing to note a reluctance on her part to sell.

Of her own value I soon discovered she was completely ignorant. It rose in my estimation with every mile we traversed. She vouchsafed much family history, and I gathered that her grandchildren formed the great glory of her life. Her face lighted up when she spoke of her grandsons as it could never have done at the prospect of thousands of dollars. It is as grandmother of the Gracchi that I wish to remember her, and when she told me that both her grandsons were employed on the railway—one at the next station and another at the junction—I felt something of her pleasurable excitement at the prospect of seeing them so soon.

The trained stopped at last and granny put her head out of the window. Without prejudice, the bonniest paper-boy I ever saw was in an instant on the footboard kissing her heartily. He had not more than half a minute to spare, she knew, and she had ready for him a little twisted paper-bag which told its own tale; at sight of which his face beamed more brightly than ever if possible. I thought of Dickens' paper-boy ringing the changes of the vowels in "Morning P-a-p-e-r" as he adjusted his basket and pursued his monotonous calling. The same cheery optimism was writ very large on the countenance of the youngest member of the station staff, and I turned to his grandmother, encouraging her to while away the time until my curiosity should be satisfied by a peep at the elder brother. The sequel proved to be delightful. I had steeled myself against disappointment this time, assuring myself that study of mankind could not continue to read like a fairy-tale, but both in physique and bearing the very personable porter in green corduroy was quite the equal of the youngster. His deportment was if anything worthy of higher marks, for it is not every man of twenty who will suffer an old woman's kisses gladly in public. He also received his reward in a shape of a packet of tobacco and some chocolate before he went about his duties. One of the next stations proved to be my fellow-traveller's destination. She clasped my hand in bidding me good-day, and I thought with regret how unlikely it was that I should see her again before the journey ends for one of us. She gave me her address, which I might have known would be "Rose Cottage," but it is a far cry from her home to mine, and perhaps I shall never know whether the snuff-box changes hands during her lifetime, if she wills it to one of the boys, or under pressure leaves it to the nation.

And certainly unless she reads this she will never realise how much it meant to me to meet her just as I was emerging from

dreamland. The encounter meant that instead of being suddenly awakened and recalled to the work-a-day world by jangling voices preaching either the gospel of gain or gibing at the Government, I was allowed to come to myself gradually, remaining for a while in a happy intermediate state between sleeping and waking, and given a little grace to collect my wits before the symbolical "all change" at Leamington told me that the terminus was reached and my holiday over.

And the next time that I hear the old wolf-cry, "The country's going to the dogs," I shall be able, whilst keeping perfect silence when they bawl, to tell myself with new-born conviction in my heart, "Not yet—not so long as the right sort of woman reigns in her Rose Cottages." Just so long, I believe, also shall we be able to say to our England every April with a wish that is father to the thought, "Many happy returns of the day."

MYRA SWAN.

COTTON TRADE AT HONG KONG.

IN the Governor's report on the trade of Hong Kong for last year we are told that cotton, including cotton yarn and cotton piece goods, shows an increase of 20,552 tons, or 51·4 per cent., which seems to be a genuine increase, and not due solely to a larger proportion of the imports being reported as cotton instead of general cargo. The reason for this phenomenal increase is not far to seek. The trade in China, after a total cessation during the last three months of 1911 and the first three months of 1912, on account of the Revolution in that country, recommenced, and gradually assumed large proportions. These soon still further increased, partly owing to the assumption, by a large percentage of the population, of European dress, which opened up a new trade (now rapidly declining), and partly to the disappearance of the old stocks in the hands of native merchants, and the necessity for their replenishment. The high rate of exchange was also a factor in increasing the trade, although the unprecedented demand caused enhanced prices in spite of it. It is of interest to note that this increase in imports does not include the large and increasing quantity of native-grown cotton spun in the Colony and re-exported as yarn.

AUSTRALIAN RAILWAYS AND FUTURE DEVELOPMENTS

(Continued from p. 131.)

By PROFESSOR T. HUDSON BEARE, B.A. (Adelaide),
B.Sc. (Lond.), M. INST. C.E.

THE first railway line in New South Wales was that from Sydney to Parramatta, opened on September 26th, 1855. A concession for this line was granted to a public company in 1848, but the company met with financial disaster and the line was eventually taken over and completed by the Government. On June 30th, 1912, there were 3,831 $\frac{3}{4}$ miles open, all on the 4 ft. 8 $\frac{1}{2}$ in. gauge. The total capital expended was £53,514,903, or £13,967 per mile of line open; the constructional cost has been heavy, owing to the exceptional difficulties which were encountered in crossing the Blue Mountains. On the Bathurst line, at a distance of seventy-two miles from Sydney, an altitude of 3,495 ft. is reached; on this line occurred the famous "zigzags." The gross earnings for the year ending June 30th, 1912, were £6,491,473, the working expenses £4,169,591, and the net revenue £2,321,882.

TABLE OF REVENUE AND EXPENDITURE FOR YEAR ENDING
JUNE 30, 1912.

Gross Revenue	£6,491,473
Working Expenses	4,169,591
Net Revenue	2,321,882
Percentage of Working Expenses to Gross Revenue	64.23
Net Revenue to Capital Cost	4.4
Earnings, per mile open	£1,706
„ per train mile	84d.
Expenses, per mile open	£1,097.5
„ per train mile	54d.
Net Receipts, per mile open	£608.5
„ per train mile	30d.

WORKING EXPENSES PER TRAIN
MILE.

	Pence
Maintenance	11.74
Locomotive	20.99
Carriage and Wagon	4.74
Traffic	14.69
General	1.87
Total	54.03

ROLLING STOCK IN HAND.

Locomotives	942
Tenders	762
Coaches	1,660
Wagons	16,703

One of the most remarkable engineering works in connection with the State railways is the Hawkesbury Bridge. At the site of this bridge, which is about seven miles from the sea, the estuary of the river is about 6,000 yards wide, divided into two channels by an island; a solid embankment crosses the shallow southern channel, and the main channel is crossed by a bridge. The design and construction were put up for world-wide competition, and eventually the design of the Union Bridge Company, of New York, was accepted, the contract price being £327,000. The bridge has seven spans of 416 ft. from centre to centre of piers, the pier foundations are concrete encased in steel caissons, and the most difficult and hazardous work of construction was in the sinking of these caissons; one of them was eventually founded at a depth of 162 ft. below water, which is the deepest foundation for a bridge ever sunk. The girders are constructed of mild-steel compression members and solid steel eyebar tension rods, all the connections being made by steel pins. The two main girders of each span are 410 ft. long and 58 ft. deep in the centre, the total weight of the superstructure of each span being about 1,000 tons.

Owing to the rapid growth of traffic and the expense of working them, the "zigzags" on the Great Western line have been abolished by deviation and tunnel work; the smaller "zigzag" near Sydney was first attacked: here a small tunnel was constructed, but a steep gradient of 1 in 33 was left, this gradient being in favour of the heavy loading towards Sydney. Experience has shown, however, that this heavy gradient is a great obstacle, and a new deviation is now in progress. In order to obtain suitable gradients it has become necessary to separate completely the up and down lines for some miles; the two lines run over quite distinct tracts of country. "The great zigzag" occurs on the descent from the Blue Mountains into the Great Western plains, and was such a serious hindrance to traffic that it was decided a few years ago to carry out a complete deviation at a cost of some £350,000, and this work was finished about two years ago. A gradient of 1 in 90 has been obtained, with fourteen chain curves. The work proved, however, exceedingly heavy, as many as ten tunnels in a length of little over five and three-quarter miles and embankments of 150 ft. in height.

The most important work in hand at the present moment in New South Wales is the main North Coast line; this will give an alternative route to Brisbane by forming a junction with the Queensland lines at the coast at Tweed Head. It opens up for dairy farm work a large area of rich agricultural land, and will probably be a popular tourist route. It is proving a very heavy line to make, for it crosses numerous rivers liable to

heavy floods, and in the rough country lying between the rivers a considerable amount of tunnel work is necessary. Parliament has also sanctioned the construction of a line right across the State from Condoblin to the famous silver city, Broken Hill, where a junction will be effected with the South Australian system. This line will be an important link in connecting Sydney directly with Adelaide, and also by means of the East and West Transcontinental line with Perth. Owing to the nature of the country it should be an easy line to construct, and there is little doubt that the work will be pushed on at once.

The first line in the State of Queensland was opened on July 31st, 1865; it extended from Ipswich to Granchester, and was 20 miles 83 chains in length. Since that date railway construction has been pushed ahead more rapidly than in any of the sister States, with the result that on June 30th, 1912, the total mileage open was 4,266. This included the Etheridge line, 143 miles in length, built by a private company but worked by the State, and the Mulgrave line, 37 miles in length, purchased from the Cairns Shire Council by the State. In addition there are 250 miles of lines built and controlled by private companies, chiefly in connection with mining work, making a total mileage in operation at the close of the year (if we include a small branch line of nine miles, opened on July 8th, 1912) of 4,525, all on the 3 ft. 6 in. gauge. During the year 218 miles were opened for traffic. As in past years, so, at the present time, Queensland is extending her railway system much more rapidly than any other of the States.

Under construction there are 1,596 miles, including 921 miles on the Great Western linking-up lines, and 391 miles on the North Coast Railway, extending from Rockhampton northwards; and authorized but not yet started, 617 miles, including 361 miles to complete the Great Western linking system, and 63 miles to complete the North Coast route.

The total capital expenditure to date has been £27,751,227 on lines completed, and £2,308,664 on uncompleted lines, or £30,059,891 in all. The gross earnings for the year ending June 30th, 1912, was £3,032,858; the working expenses £1,917,266, and the net revenue £1,115,592, or 4 per cent. on the capital expenditure. The earnings for the year were distributed as follows:—Passengers, £857,018; goods, £1,707,197; live-stock, £233,398; miscellaneous, £235,245; making a total of £3,032,858.

TABLE OF REVENUE AND EXPENDITURE FOR YEAR ENDING JUNE 30, 1912.

Gross Revenue	£3,032,858
Working Expenses	1,917,266
Net Revenue , ...	1,115,592

Percentage of Working Expenses to Gross Revenue	63·2
„ Net Revenue to Capital Cost	4·0
Earnings per mile open	£731·9
„ per train mile	70·48 <i>d.</i>
Expenses, per mile open	£462·7
„ per train mile	44·55 <i>d.</i>
Net Receipts, per mile open	£269·2
„ per train mile	25·93 <i>d.</i>

WORKING EXPENSES PER TRAIN MILE.			ROLLING STOCK IN HAND.		
		Pence			
Maintenance		13·06	Locomotives		535
Locomotive		15·34	Carriages and Vans		610
Carriage and Wagon		3·11	Wagons		10,803
Traffic		12·01			
General, &c.		1·03			
Total		44·55			

The maintenance charges are still swollen by the extensive flood damages to the Cairns district lines by the terrible floods in the preceding year, involving during the past two years an exceptional expenditure of over £80,000.

The net revenue for the year (£1,115,592) met all the interest charges on loans for capital expenditure amounting to £1,009,839, and gave a surplus of £43,752 to the general revenue of the State. A study of the railway map of Queensland will show that hitherto railway construction has been limited to the building of isolated lines running almost due west from various ports: Brisbane, Rockhampton, Townsville, Cairns, and Cooktown. It is true that Brisbane has been linked with Rockhampton by a coastal line, but all the other lines are absolutely isolated, leading to increased expenditure in working, and to the serious practical drawback that a sudden demand on the rolling stock resources of one line could not be met by bringing stock from another line where it was not at that time in full use.

The new lines under construction are intended to remedy this defect. First of all a coastal line is to be constructed which will give uninterrupted railway communication from Brisbane to Cairns. This new line starts from Rockhampton, and all the existing gaps will be filled up, until the rails stretch unbrokenly from Brisbane to Cairns, opening up a great area of rich agricultural lands to the markets of the big towns, and connecting into one whole the previously isolated lines. This coastal line will also be of great value from the strategical point of view in time of war.

It was felt, however, that the railway system could not be said to be economically organised unless the western extremities of all these east and west lines were also united, and provision is made for this by the western line. This line starts from Tobermory, a town in the south-west corner of the State near the New South Wales border, and runs nearly north-west right

across the western end of the State to Camooweal, near the border of the northern territory. This western line connects with the Brisbane line by an extension from Charleville, with the Rockhampton line by an extension from Blackall, and with the Townsville line by two extensions—one from Winton, and one from near Cloncurry, the whole scheme involving the construction of nearly 1,300 miles of new line.

Probably an extension of this line from Camooweal to Port Darwin, and from Tobermory to Bourke, will provide a rapid and direct route from Port Darwin to Brisbane and Sydney, a route which would very appreciably shorten the time for mails and passengers proceeding from Europe to Eastern Australia. This western line will enable cattle and sheep to be easily transported from any district which may be suffering from drought conditions to areas where food and water may be available.

Before 1901 railway construction in Queensland had been carried out entirely by the usual contract system. At that date, owing to difficulties in finding contractors capable of undertaking such work, often in isolated districts, at reasonable prices, it was decided to construct all future lines by a day-labour system. The department has equipped itself with the latest labour-saving devices, and during last year employed continuously some 3,926 men. The cost of 1,944 miles built since 1901, under this day-labour system, has averaged £3,117 per mile, a figure which compares most favourably with the cost of similar lines under the old contract system. On the Western and North Coast lines some 1,561 men were employed during 1912 on new constructional work under the day-labour system.

As showing the heavy demand upon the timber resources of the State brought about by the rapid extension of the railway system, it may be pointed out that during the past year there were 273,145 sleepers put in as renewals, and some 600,000 on new lines. At the present time there are about 11,000,000 sleepers in use, and the average life is twenty-five years, so that the renewal item will become a serious factor in a few years.

During the past five years 185 locomotives, 148 coaches, and 3,237 wagons have been added to the rolling-stock, and the whole of these, with the exception of twenty locomotives imported from abroad, were built in the State, either in the railway shops or by private firms.

The first railway opened in Victoria, and the first locomotive railway in Australia, was a two-mile line from Melbourne to Port Melbourne, authorised on January 20th, 1853, and opened for traffic on September 13th, 1854. It was constructed by a public company. The mileage opened for traffic on June 30th, 1912, was 3,500 miles 46 chains of 5 ft. 3 in. gauge,

and 121·90 miles of 2 ft. 6 in. gauge, or, giving the figures as single line track, inclusive of sidings, 4,485·09 miles of 5 ft. 3 in. and 129·15 miles of 2 ft. 6 in. gauge. At the same date 196·25 miles of 5 ft. 3 in. gauge were under construction, and a further 53·25 miles have been authorised. For the past few years railway construction has been chiefly carried on in the Mallee district of the north-west part of the State. The total capital expenditure to June 30th, 1912, was £45,897,163. The gross revenue for the year ending June 30th, 1912, was £5,218,967, and the working expenses £3,310,484, leaving a net revenue of £1,908,483.

In the year ending June 30th, 1912, the net revenue was equal to 4·03 per cent. on the railway debt, and after paying £1,513,101 for interest on loans for capital expenditure, and £131,319 for pensions, a surplus of £265,791 went into the general revenue of the country.

TABLE OF REVENUE AND EXPENDITURE, YEAR ENDING JUNE 30, 1912.

Gross Revenue	£5,218,967
Working Expenses	3,310,484
Net Revenue	1,908,483
Percentage of Working Expenses to Gross Revenue	63·42
„ Net Revenue to Capital Cost	4·03
Earnings, per mile open	£1,473
„ per train mile	90·53 <i>d</i> .
Expenses, per mile open	£934
„ per train mile	57·42 <i>d</i> .
Net Receipts, per mile open	£539
„ per train mile	33·11 <i>d</i> .

WORKING EXPENSES PER TRAIN MILE.

	Pence
Maintenance	15·49
Rolling Stock Branch	24·12
Traffic	15·63
General, &c.	2·18
Total	57·42

ROLLING STOCK IN HAND.

	5 ft. 3 ins.	2 ft. 6 ins.
Locomotives	612	11
Coaches	1,965	21
Wagons	14,097	195

The construction of new lines is not vested in the Railway Commissioners. That duty is undertaken by the railway construction branch of the Board of Land and Works, which transfers the lines to the commissioners after completion, and is then relieved of further responsibility. The maximum speed on main lines is sixty miles per hour. These lines are laid with 80 lb. rails. On branch and suburban lines forty miles per hour, the rails being 60 lb. and 100 lb. per yard respectively. The steepest gradient on the 5 ft. 3 in. lines is, on the main lines 1 in 40 and on branch lines 1 in 30; the sharpest curves are twelve chains on main lines and ten chain curves on the branch lines.

For many years the great bulk of the rolling-stock of all kinds has been made at the departmental workshops at Newport, which

have been constructed and equipped at a capital expenditure of £475,000, and a staff of 4,000 employees is engaged. During the last two years, owing to the excessive demand for new stock, orders have had to be placed with outside firms; twenty locomotives were built in England, twenty in the United States, and sixty by private firms in Australia.

Considerable attention has been devoted recently to the question of electrifying the whole of the Melbourne suburban system, and Mr. L. H. Merz, of London, has furnished a special report on the subject. Mr. Merz was recently commissioned to invite alternative tenders for the conversion of the steam system to the direct-current or the single-phase alternating current system, and the whole matter is now under consideration.

The total earnings for 1911-12 were distributed as follows:—Passengers, £2,307,141; minerals and goods, £2,186,151; live stock, £320,831; miscellaneous, £404,844: total, £5,218,967.

The first line opened in Western Australia was from Geraldton to Northampton, a length of 33 miles 25 chains. This was opened on July 26th, 1879. It is a single line on the 3 ft. 6 in. gauge, and this gauge has been adhered to ever since. The total mileage opened on June 30th, 1912, was 2,598 miles 14 chains of main line, and 279 miles 35 chains of sidings, or a total of 2,877 miles 49 chains. The total capital expenditure was £13,233,093, of which the sum of £12,641,213 had been raised by public loans, and £591,880 from other sources. The annual interest charge amounted to £439,153. The total earnings for the year ending June 30th, 1912, were £1,884,604. The working expenses were £1,343,977, and the net revenue £540,627. After paying interest on loans for construction there was a surplus revenue to the State of £101,474; during the past five years the surplus revenue has amounted to £764,006, a very fine record.

The earnings of the year have been distributed as follows:—Passengers, £531,832; goods and minerals, £1,103,369; live stock, £50,718; miscellaneous, £198,685: total, £1,184,604.

The net revenue for the past ten years has fluctuated from 3·61 to 5·22 per cent., the average being 4·37 per cent.; the record for 1912 was, therefore, under the average, due mainly

TABLE OF REVENUE AND EXPENDITURE YEAR ENDING JUNE 30, 1912.

Gross Revenue	£1,884,604
Working Expenses	1,343,977
Net Revenue	540,627
Percentage of Working Expenses to Gross Revenue	71·81
„ Net Revenue to Capital Cost	4·09
Earnings, per mile open	£763
„ per train mile	86·53 <i>d.</i>
Expenses, per mile open	£544
„ per train mile	61·71 <i>d.</i>
Net Receipts, per mile open	£219
„ per train mile	24·81 <i>d.</i>

WORKING EXPENSES PER TRAIN MILE.			ROLLING STOCK IN HAND.	
	Pence		Locomotives	359
Maintenance	11·85		Coaches	520
Locomotive	25·54		Wagons	7,985
Carriage and Wagon	4·57			
Traffic	16·49			
General, &c.	3·26			
Total	61·71			

to the prejudicial effect of the dry weather upon the crops—the working expenses rose considerably also, owing to dearer coal, and to extra expenditure in connection with loco-water supply entailed by the abnormally dry season. The total number of employees is 7,562. During 1911–12, no less than 222 miles 50 chains were opened for traffic, and at the close of that year 764½ miles of new line were under construction or survey. It is expected that of this mileage some 350 miles will be opened for traffic by June 30th, 1913, including the isolated Port Hedland and Marble Bar line away in the extreme north-west of the State, the length of which is 114 miles, which was actually opened for traffic last July.

A striking feature of recent railway construction in this State is the reduction in capital cost by building what are termed district or light railways, to open up for agricultural purposes land practically unoccupied, that is, the policy has been to push the railway lines ahead of settlement. The maximum speed on these lines is limited to fifteen miles, and as the grades are heavy, the average speed is very low: time lost on the up grades cannot be made up on the down grades, owing to the maximum limit. This reduction of capital cost may, however, as was pointed out by the Railway Commissioner in his last report to Parliament, be carried too far, reducing the earning capacity of the line, and seriously increasing maintenance charges. In the above report it is shown that the use of steep-grades, light rails and sleepers, insufficient ballast, together with defective drainage and the failure to provide an adequate water-supply, inevitably lead to heavy maintenance charges; moreover, the fixing of a ruling gradient of 1 in 40 leads to carelessness in locating new lines.

A well-drained road-bed, with reasonably heavy rails carried on adequately substantial sleepers, properly ballasted, is the only proposition on which economical maintenance can be based. Of the total mileage, 1,267 miles are laid with 45 lb. rails, and the remainder with 58 lb. to 60 lb. rails. Owing to its much cheaper cost local or collie coal is largely used on the State railways. During the past year 156,098 tons of collie coal, at 10s. 4d. a ton, were used, as compared with 68,587 tons of New South Wales coal costing 22s. 6d. a ton.

T. HUDSON BEARE.

THE TRADE OF CANADA

IN his excellent report on the trade of Canada during the year 1912, Mr. C. Hamilton Wickes* tells us that both imports and exports continued to show great expansion, the gross figures for the twelve months ending December 31, 1912, for the first time exceeding 1,000 million dollars (about 200 million pounds sterling). The following comparison of trade statistics, bank clearings and customs revenue indicate the remarkable progress of Canadian trade during the past few years:—

Twelve months ending December 31.	Total Imports.†	Total Exports.†	Bank Clearings.	Customs Revenue.
	\$	\$	\$	\$
1902 . . .	209,169,481	219,082,988	2,538,583,771	34,559,435
1912 . . .	645,547,152	378,093,990	9,143,196,764	109,190,772

Thus in the short period of eleven years imports have trebled; exports have increased by 73 per cent.; bank clearings have increased 350 per cent.; and the revenue from Customs has trebled. The increase of the trade of the Dominion in 1912 as compared with the previous year is marked. Excluding bullion and specie, imports in 1912 showed an increase of \$133,000,000, or about £26,750,000 as compared with 1911, and exports an increase of \$75,750,000, or about £15,250,000. The increase in the imports has been mainly in goods liable to duty, which accounted for 73 per cent. (£19,250,000) of the total.

Preliminary figures of the trade of Canada during the twelve months ended March 31st, 1913, show that, excluding bullion and specie, imports amounted to £141,100,000 as compared with £109,620,000 for the preceding year, an increase of about £31,500,000, or 28½ per cent. The value of the exports of merchandise was £80,800,000, an increase of £17,500,000 as compared with 1911-12. The value of the imports of merchandise

* H.M. Trade Commissioner in Canada and Newfoundland.

† Including bullion and specie.

from the United Kingdom was £28,700,000, an increase of £4,610,000, or 19 per cent. Goods imported from the United Kingdom free of duty were valued at £6,326,000, an increase of £700,000, or over 12 per cent., whilst imports of dutiable goods from the United Kingdom amounted to £22,380,000, an increase of about £4,000,000, or 21 per cent. over 1911-12. In his Report, however, Mr. Wickes has thought it advisable to utilise only the latest complete and revised figures, namely, those for the year ended March 31st, 1912.

The imports into Canada from the United Kingdom have steadily grown in volume since 1897. In that year imports from the United Kingdom were at the low value of \$29,400,000 (about £6,000,000). By 1902 imports from the United Kingdom had advanced to \$49,200,000 (about £10,000,000), and for the fiscal year ending 31st March, 1912, to \$117,000,000 (about £23,500,000). Considerable as has been the rise in the imports into Canada from the United Kingdom in the last sixteen years (\$87,600,000), it has not kept pace with the remarkable expansion in the total value of imports into the Dominion from all countries. During the period 1873-1897, imports from the United Kingdom steadily declined from \$68,500,000 to \$29,400,000, *i.e.* from 53·5 per cent. (1873) to 24·6 per cent. (1897) of the total import trade. In the following year (1898) the value of imports into Canada from the United Kingdom showed an increase of \$3,000,000 (about £600,000), and has continued to advance annually since that year. In April, 1897, the Canadian Government inaugurated preferential Customs treatment for goods imported from the United Kingdom to the extent of $\frac{1}{3}$ th of the duties payable under the General Tariff (since increased to an average of $\frac{1}{3}$ rd), and it will be noted that imports into Canada from the United Kingdom began to show an increase in the year following, an increase which has been maintained without interruption year by year since that date; the expansion in the total imports into Canada began about two years before, *i.e.*, in 1895-1896. Between 1896-7 and 1912-3 imports from the United Kingdom for consumption in Canada quadrupled in value; but, nevertheless, the proportion of imports from the United Kingdom to the total imports from all countries showed a decline of 7·3 per cent.

Although there was actually a falling off in the United Kingdom's share of the total imports entered as dutiable between 1897 (the year in which a preference to British goods was granted) and 1913 the decline was not as great as in the case of imports entered as free. On the other hand, the United States improved their position both in dutiable and free imports. It should also be noted that during the last two years there has been a very marked falling-off in the United Kingdom's share of dutiable

imports. This decrease would appear to be due principally to a falling off in the United Kingdom's share of the trade in iron, steel, and other metals, and machines and machinery.

The decline in the proportion of imports from the United Kingdom, which has been gradual and consistent, Mr. Wickes considers to be a serious matter. The trade so lost to that country has not been divided between a number of other countries, but has been almost entirely absorbed by the United States, as the figures of imports from the latter country clearly show. He is not, however, prepared to go so far as to believe that this loss of percentage by the United Kingdom in the import trade with the Dominion has been due to any general decrease in the competition for trade. In fact, certain individual firms of the United Kingdom have within the last three or four years not only taken their share of the increased trade but have actually secured trade which formerly went to the United States. British manufacturers are taking a greater interest and are watching this market with greater attention, but it is feared a number have not realised the extraordinary expansion which has taken place in the last few years; and many lines have been either overlooked or the volume of business to be done has not been fully appreciated.

The Dominion of Canada in common with other countries felt the pressure of the financial situation towards the beginning of the autumn of 1912. Financial interests in the Dominion have steadily tightened the strings throughout the winter, and the effect has been noticeable in the west as well as in the commercial centres of Montreal and Toronto; so much so that some of the municipalities in the west which had entered into contracts to purchase machinery and material have had to delay settlement, although the contractors have delivered or have been ready to deliver under the contracts made. In view of these conditions the facility with which some important western municipalities have raised loans in the London market is a matter for some surprise. A result of the land boom has been the locking-up of a great deal of capital in real estate, thereby hampering the conduct of ordinary business.

The financial statement of the Dominion for the fiscal year ending March 31, 1913, recently published, shows that the total revenue for the year 1912-13 was \$165,258,127, an increase of \$32½ millions (or about 25 per cent.) over the previous year, but deposits in the Savings Banks at the 31st of March showed a decrease of nearly \$1,000,000 over the preceding year, the Dominion Government Savings Bank deposits also showing a slight decrease.

MALTA AND ITS GOVERNMENT

By JOHN J. MIFSUD

THE Prime Minister, during his recent visit to Malta, received a deputation of Maltese gentlemen, who gave him an account of the present unsatisfactory political condition of the island. In pressing for a new constitution giving some measure of responsible government, the deputation pointed out that local autonomy was a fixed principle in British Colonial policy, and that long before the era of federations and unions, self-government absolute, unfettered, and complete, had been granted by the Home Government to many of her colonies. Moreover, a like privilege had been conceded in cases where the territory had been annexed by force of arms. How much the more then should the same policy be followed with regard to the Maltese people who, by their own act and authority, voluntarily assented to the protection of Great Britain.

As things now are, Malta has a representative but not a responsible government. There is a legislative chamber composed of members nominated by the Crown, and members elected by the populace. Malta differs therefore from a Crown colony—Gibraltar for example—where the Crown retains the full legislative powers, which it exercises through a Governor appointed by the Home Government, but is far removed from those colonies enjoying representative and responsible government, modelled on the lines of the Imperial Parliament. To any one who, like myself, has followed the fortunes of the island, the cause of the present dissatisfaction is common knowledge. The constitution of the council is of such a kind, that the official members are able to override the wishes of the elected members, who being conscious of their own impotence, have abstained from attending the sittings. I do not, of course, suggest that this condition of affairs is peculiar to Malta; but I should like to emphasise the fact that wherever a government of this nature obtains, discontent and dissatisfaction invariably arise, unless indeed the people have become so lethargic that they have ceased to take the smallest interest in the administration of their country. Happily, the Maltese people have not yet reached a state of abject listlessness. Turbulent they have not been, but occasions are not wanting

when they have shown themselves completely alive with regard to questions of policy vitally affecting them. The suggested alteration of the marriage law, the language question, and the public expression of indignation which followed in both instances, offer clear evidence of the interest taken by the Maltese people in all matters which concern themselves and their country.

In Malta, as in our other colonies and dependencies, there is a blending of people having various aspirations. There is a section which, consciously or unconsciously, has become wholly British, and which is disposed to view every question from the British standpoint. But there are others who remain fanatical adherents to their native customs, and whatever suggestion is put forward by the governing body only serves to increase their apprehension and suspicion. It is obvious that each of these parties see everything out of focus. Neither can approach any subject with an unbiassed mind; both have become incapable of considering any question except from their own standpoint. Between these two extremes, however, are to be found those members of the community anxious for a solution of the present problems, and whose object is to see that the result obtained is fair and equitable to all concerned. There is danger that the claims of a small island like Malta should be overlooked; it is difficult to arouse much interest at home, where questions of wider scope fill the political arena. Still, it is well to remember that so long as a loyal community voices its dissatisfaction, so long is it a confession of failure on the part of those responsible for the disquietude. A policy of *laissez faire* pursued at this juncture, must lessen the loyalty of people wearied by their present treatment.

The report of the Royal Commission, appointed as far back as 1911, to inquire into the Finances, Economic Condition and Judicial Procedure of Malta, made a series of recommendations which, if effectively carried out, should in some measure increase the prosperity of the island. Thus the Commission advocated the development of the Agricultural Department, suggesting that an officer be appointed who should give his whole time to that work. Agriculture is by far the largest and most important industry; the soil is rich in phosphates and very suitable for the cultivation of barley, wheat, and maize. The chief difficulty is the insufficiency of the water supply, and in most cases the cultivator is dependent upon the rainfall, which, contrary to our experience in this country, is altogether inadequate. Maltese farmers, too, are ignorant of modern methods of cultivation, and as a consequence, the results are often in inverse ratio to the amount of labour expended. The reorganisation of the Agricultural Department, with an increased grant for the work it undertakes to perform, cannot fail to cause a marked improvement in the industry.

The Commissioners were also of opinion that the granting of government monopolies might be a means of encouraging new industries. For although capital is not wanting in the island, it is difficult to find people willing to risk their money in a new venture. And since the quantity of temporary monopolies would in no way interfere with the amount of goods imported, there is no reason to fear a rise in the price of articles to the consumer.

Since 1902, Malta has suffered severely from the reduction of the garrison; the fleet, too, is often absent, and when this is the case the loss is estimated at over £1000 a day. The total loss from the reduction of the garrison is put at £400,000 a year. Another cause of depression is the development of the north coast of Africa by France. Algiers and Tunis have of recent years become commercial harbours of considerable importance, and it has been found that the fitting out and repairing of mercantile vessels can be carried out with equal, if not greater, expedition and economy in these places than in Malta. Alexandria and Port Said are also responsible for the serious decline in this local industry.

In dealing with the financial position of the island, the report of the Commission alluded to a contribution of £5000 a year, made by the Island Government for military service, and suggested that this contribution should be discontinued. As matters now stand the palaces formerly belonging to the Knights of St. John and many of the finest buildings in Valletta and the neighbouring town of Floriana, are put at the disposal of the War Office rent free. In addition, large sums in duties on goods imported for the use of the garrison are repaid out of the island revenue. The Commissioners concluded their observations on this head, by remarking that if the Imperial Government finds itself unable to remit the above-mentioned contribution, or to allow the Island Government to claim rent for the use of lands and buildings, it will be necessary to raise an equivalent sum by local taxation.

The existing taxes on wheat, flour, and semola, are approximately 25 per cent. of the imported value, and since bread, macaroni, and other preparations of flour form the staple diet of the working classes, such an impost weighs heavily upon those people least able to support it. On the other hand, no assessment of property has been attempted. House property tax and estate duties are unknown. As far back as 1878, a tax of sixpence in the pound on the rental value of houses was proposed, but did not become law. The Commissioners consider that a tax of this description might be levied, and suggest the imposition of Succession duty.

Several alterations in legal procedure are discussed in the report of the Commission. For example, the rules of procedure

were found to be "prolix, dilatory, and antiquated." In one instance, a claim for the recovery of £8 was set down for hearing on the 24th March 1908, and after twenty-three adjournments was finally disposed of on June 26, 1909. Another serious defect is that neither plaintiff nor defendant can be called in support of his own case, an anomaly which ceased to exist in this country seventy years ago. This drawback has been removed, as far as criminal cases are concerned, by Ordinance. There appears to be no restriction placed on the power of the police to arrest without warrant, and criminal proceedings are introduced without any application to a magistrate. Nor is any distinction made between interlocutory proceedings and the trial of the action; a case is seldom heard right through, and witnesses are often examined after so long an interval that they can have but the dimmest recollection of the facts. Equally difficult is it for a judge who has been engaged on other cases to recall to mind the circumstances on which he has to pass judgment. The procedure on Appeal appears to be no less unsatisfactory. Appellant has thirty days for filing his petition after notice of appeal, and the pleadings may continue for several weeks; quite often a large number of new witnesses are heard, and as a consequence the proceedings become unduly protracted. The recommendations of the Commissioners deal with all these points.

But these are only side issues. What the Maltese people really want is self-government. As I outlined at the beginning of my article, it is a maxim of the English constitution, that when a colony or dependency has reached the necessary stage of advancement, the privilege should be granted, and the Mother of Parliaments has acted on this principle, not only in the case of conquered, but of ceded or settled colonies. Malta has greatly changed since the "Iron Duke's" time, and his observation that "to give a constitution to Malta was like giving a constitution to a man-of-war" may be remembered as a picturesque saying; beyond this it has ceased to be of value. Nor can the fact that Malta is essentially a military and naval fortress be pleaded. The civil population increases by leaps and bounds, the country districts continue to develop, and the standard of education has reached a high level. No difficulty will be experienced in finding among the populace men of high attainment with the requisite capabilities for the work of self-government.

"Parliament," said De Lolme, "can do everything but make a woman a man and a man a woman." Parliament can easily give the Maltese people that which they most earnestly desire, and it is here submitted that the day has dawned when so legitimate a desire should be satisfied.

JOHN J. MIFSUD.

INDIAN AND COLONIAL INVESTMENTS

By TRUSTEE

ALTHOUGH the Stock Exchange has passed through another month characterised by quiet markets and lack of orders, securities of the best class have continued to reflect the improved monetary conditions, and in the quotations tabulated in this article a general advance is shown on the month. While the rise has extended to all sections of the securities quoted, it has been most marked in Canadian railway stocks and shares, which have been in demand on hopes of a good harvest in the Dominion with a further expansion in traffic for the railways.

Indian railway securities, too, have enjoyed a renewed advance. The suspension of two native banks caused some apprehension towards the end of the month, but it was realised that the institutions concerned were affected by special circumstances that do not apply to the undertakings conducted on ordinary banking lines, and fortunately the trouble has not been widespread.

Ottawa, which has made but small demands on the London market for loans, has placed a small issue during the past month, £189,600 of 4½ per cent. Debentures being offered at 98½, the Debentures being redeemable at par in series between 1932 and 1953. This is the only Canadian municipal loan offered during the month and it is interesting to note that among the munici-

INDIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
INDIA.					
3½% Stock (t) . . .	£ 91,276,210	1931	89½	3½	Quarterly.
3% " (t) . . .	66,480,596	1948	75½	3½	
2½% " Inscribed (t) . . .	11,892,207	1926	64½	3½	
3½% Rupee Paper 1854-5	..	(a)	95½	3½	30 June—31 Dec.
3% " " 1896-7	..	1916	81	3½	30 June—30 Dec.

(t) Eligible for Trustee investments.

(a) Redeemable at a Quarter's notice.

INDIAN RAILWAYS AND BANKS.

Title.	Subscribed.	Last year's Dividend.	Share or Stock.	Price.	Yield.
RAILWAYS.					
Assam—Bengal, L., guaranteed 3%	£ 1,500,000	3	100	74	4
Bengal and North-Western (Limited)	3,000,000	8	100	154½	5½
Bengal Doocars, L.	400,000	6	100	101½	5½
Bengal Nagpur (L), gtd. 4% + ½th profits	3,000,000	5	100	115½	4½
Burma Guar. 2½% and propn. of profits	3,000,000	4½	100	108½	4½
Delhi Umballa Kalka, L., guar. 3½% + net earnings	800,000	9½	100	194½	4½
East Indian Def. ann. cap. g. 4% + ½ sur. profits	1,721,949	6½	100	97½	6½
Do. do, class "D," repayable 1953 (t)	4,328,051	5½	100	118½	4½
Do. 4½% perpet. deb. stock (t)	1,435,650	4½	100	111	4
Do. new 3% deb. red. (t)	8,000,000	3	100	76	3½
Great Indian Peninsula 4% deb. Stock (t)	2,701,450	4	100	99	4
Do. 3% Gua. and ½ surp. profits 1925 (t)	2,575,000	4½	100	98	4½
Madras and South Mahratta	5,000,000	5	100	112	4½
Nizam's State Rail. Gtd. 5% Stock	2,000,000	5	100	102	4½
Do. 3½% red. mort. debts.	1,063,300	3½	100	77	4½
Rohilkund and Kumaon, Limited.	400,000	7½	100	154½	4½
South Behar, Limited	379,580	5	100	101	4½
South Indian 4½% per. deb. stock, gtd.	425,000	4½	100	111	4
Southern Punjab, Limited	1,000,000	10	100	163½	6½
Do. 3½% deb. stock red.	500,000	3½	100	82	4½
West of India Portuguese Guar. L.	800,000	5	100	90	5½
Do. 5% debenture stock	550,000	5	100	100	5
BANKS.					
Chartered Bank of India, Australia, and China	Number of Shares. 60,000	16½	20	58½x	5½
National Bank of India	80,000	14	12½	38½x	4½

(t) Eligible for Trustee investments.

(x) Ex dividend.

palities themselves considerable progress is being made with the movement for some Government regulation of municipal borrowing, on the lines, possibly, of the system adopted in the mother-country.

While the preliminary statement issued by the Canadian Pacific Railway as to its profits for the year ended June 30 gave the main details of the results of the company's operations, the full report to be presented at the meeting in Montreal on October 1 affords much useful and interesting information. As regards the increase in the working expense ratio from 64·89 to 66·82 per cent., the report points out that the mileage covered by the statement of gross earnings and working expenses has increased from 10,983 miles in 1912 to 11,602 miles in the fiscal year. The business of a number of these new lines will naturally add but little to the gross income for a time while traffic is being developed, but meantime their maintenance and operation have a marked effect on the working expenses. This, coupled with more liberal expenditure for maintenance of way and of equipment and

CANADIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Regd. Stock . .	28,162,776	1930-50*	93	3 $\frac{7}{8}$	1 Jan.—1 July.
PROVINCIAL.					
ALBERTA.					
4% Debs.	411,000	1938	94	4 $\frac{7}{16}$	1 June—1 Dec.
BRITISH COLUMBIA.					
3% Inscribed Stock .	2,045,760	1941	78	4 $\frac{7}{16}$	1 Jan.—1 July.
MANITOBA.					
4% Regd. Stock . .	1,915,000	1950	94	4 $\frac{3}{8}$	1 May—1 Nov.
NEW BRUNSWICK.					
4% Regd. Stock . .	450,000	1949	95	4 $\frac{1}{2}$	1 Jan.—1 July.
NOVA SCOTIA.					
3½% Stock	650,000	1954	83	4 $\frac{7}{16}$	1 Jan.—1 July.
ONTARIO					
3½% Regd. Stock . .	1,200,000	1946	88	4 $\frac{3}{16}$	1 Jan.—1 July.
QUEBEC.					
3% Inscribed . . .	1,897,820	1937	78	4 $\frac{9}{16}$	1 Apr.—1 Oct.
SASKATCHEWAN.					
4% Regd. Stock . .	1,082,192	1951	94	4 $\frac{5}{16}$	1 Jan.—1 July.
MUNICIPAL.					
Calgary 4½% Debs. .	1,920,900	1930-42*	92	5 $\frac{1}{16}$	1 Jan.—1 July.
Edmonton 4½% Debs.	641,400	1918-51*	93	4 $\frac{1}{16}$	1 Jan.—1 July.
Hamilton (City of) 4%	482,800	1934	90	4 $\frac{7}{8}$	1 Apr.—1 Oct.
Montreal 4%	2,400,000	1948-50	95	4 $\frac{5}{16}$	1 May—1 Nov.
Quebec 4% Debs. . .	385,000	1923	96	4 $\frac{9}{16}$	1 Jan.—1 July.
Regina 4½% Debs. .	382,500	1925-52*	92	5	1 Jan.—1 July.
Toronto 4% Bonds .	300,910	1922-28*	94	4 $\frac{3}{8}$	1 Jan.—1 July.
Vancouver 4% Bonds	121,200	1931	92	4 $\frac{3}{4}$	1 Apr.—1 Oct.
Winnipeg 4% Regd. .	2,500,000	1940	91	4 $\frac{1}{16}$	1 Apr.—1 Oct.

* Yield calculated on latest date.

advances in the wage scale in some branches of the service, accounts, in a large measure, for the abnormal increase in the working expenses over the previous year.

A large part of the report is devoted to the new lines projected or in course of construction. In pursuance of the company's policy of building and extending branch lines in Western Canada to provide present and incoming settlers with transportation facilities, a line is projected from a point near Swift Current, on the main line in Saskatchewan, in a north-westerly direction to cross the Lacombe branch at or about Coronation, and eventually to reach Sedgewick, a station on the line between Saskatoon and Edmonton,

CANADIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up per Share.	Price.	Yield.
RAILWAYS.					
Canadian Pacific Shares . . .	2,000,000	%			
Do. 4% Preference . . .	£15,173,563	10	\$100	237½	4½ ³ / ₈
Do. 4% Cons. Deb. Stock . . .	£32,725,383	4	Stock	93½ ^x	4½ ¹ / ₈
Grand Trunk Ordinary . . .	£22,475,993	4	"	97½	4½ ¹ / ₈
Do. 5% 1st Preference . . .	£3,420,000	nil.	"	23	nil.
Do. 5% 2nd " . . .	£2,530,000	5	"	108	4½ ¹ / ₈
Do. 4% 3rd " . . .	£7,168,055	5	"	99	5
Do. 4% Guaranteed . . .	£12,215,555	2½	"	59	4½ ³ / ₈
Do. 5% Perp. Deb. Stock . . .	£4,270,375	4	"	84½	4½ ¹ / ₈
Do. 4% Cons. Deb. Stock . . .	£22,222,442	5	"	115	4½ ⁵ / ₈
		4	"	94	4½ ¹ / ₈
BANKS AND COMPANIES.					
Bank of Montreal	160,000	12	\$100	240	5½ ³ / ₈
Bank of British North America	20,000	8	50	78	5½ ¹ / ₈
Canadian Bank of Commerce .	200,000	12	\$50	21½	5½ ⁵ / ₈
Canada Company	8,819	50s. per sh.	1	22½	10½ ² / ₈
Hudson's Bay	1,000,000	50	1	11½	4½ ¹ / ₈
Trust and Loan of Canada . .	100,000	8	5	6½	6½ ¹ / ₈
Do. new	25,000	8	3	3½	7½ ¹ / ₈
British Columbia Elec. } Def.	£1,200,000	8	Stock	126½	6½ ⁵ / ₈
trio Railway . . . } Prefd.	£1,200,000	6	Stock	114½	5½ ³ / ₈

(x) Ex dividend.

NEWFOUNDLAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Sterling Bonds . . .	2,178,800	1941-7-8*	84	4½ ⁹ / ₈	} 1 Jan.—1 July.
3% Sterling " . . .	325,000	1947	74	4½ ¹ / ₈	
4% Inscribed Stock . . .	320,000	1913-38*	99	4½ ¹ / ₈	
4% " " . . .	427,881	1935	99	4½ ¹ / ₈	
4% Cons. Ins. " . . .	200,000	1936	98	4½ ¹ / ₈	
3½% Inscribed, 1910 . . .	800,000	1950	91	3½ ⁵ / ₈	

* Yield calculated on latest date.

a total distance of 290 miles. The first 115 miles of this line will be constructed without delay, and the balance in stretches as circumstances may seem to warrant; two other lines, one of which will run north-easterly from Bassano, on the main line in Alberta, to a connection with the Swift Current line, a distance of 118 miles, and the other from Gleichen to Shepard, a distance of 40 miles, should be built within the next year.

These lines will serve important agricultural districts north and south of the main line, and will answer all the purposes of a second track between the points mentioned for some years to come. The Weyburn branch, running south of, and parallel to, the main line in Saskatchewan and Alberta, to a connection with

the Alberta Railway south of Lethbridge, a total distance of 436 miles, of which 196 miles have been constructed, or are in process of construction, should be further extended year by year until completed. Branch lines from Gimli, Manitoba, in a northerly direction for a distance of 26 miles, and from Snowflake, Manitoba, in a westerly direction, a distance of 9 miles, and an extension of the Suffield branch in Saskatchewan, 27 miles, will be of substantial service to settlers in these respective districts.

The shareholders are being asked to sanction the construction of such part of this mileage as they have not already authorised, and the issue, from time to time, of the requisite 4 per cent. Consolidated Debenture Stock to meet the expenditure.

They will also be asked to approve the purchase of two intermediate steamships for the Atlantic trade, 500 feet long, 64 feet beam, 11,600 gross tonnage, 15 knots speed, to cost approximately £300,000 each, and two steamships for the Pacific coast service, 395 feet long, 54 feet beam, capable of making $22\frac{1}{2}$ knots per hour at sea, and to cost approximately £200,000 each.

The two Atlantic steamships are urgently required for the second and third class passengers and freight traffic between European ports and Canada, and the two fast passenger steamers for the Pacific Coast will further improve the excellent service that the company is now providing for the large and growing passenger business between Vancouver, Victoria, and other ports on the Pacific Coast.

In its first monthly statement for the new financial year, the Canadian Pacific Railway shows that a decrease of \$59,000 in gross earnings was accompanied by an increase of \$272,000 in working expenses, so that the decrease in net earnings was \$331,000.

In the case of the Grand Trunk the increase of £82,250 in gross receipts resulted in an increase of £35,550 in profit, £46,700 of the gross increase being absorbed in additional working expenses. The half-yearly report to be issued shortly is awaited for a full explanation of the results of the first half of the year.

The only Colonial Government loan publicly issued in London during the month has been the £2,000,000 of Victorian 4 per cent. Inscribed Stock offered at 98. The issue was made for the purpose of meeting the £1,925,500 of outstanding stock and debentures maturing on October 1, and holders of the maturing securities were given the option of converting into an equal amount of new stock and receiving £2 5s. per cent. in cash.

Only half of the issue, however, was taken by these holders and cash subscribers, the other half going to the underwriters.

Fuller particulars of the results of the Commercial Bank of Sydney are available in the report now to hand. The profits for

AUSTRALIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
NEW SOUTH WALES.					
4% Inscribed Stock (t)	9,685,800	1933	100	4	1 Jan.—1 July.
3½% " " (t)	16,464,545	1924	98	4½	} 1 Apr.—1 Oct.
3% " " (t)	12,475,800	1935	80½	4½	
VICTORIA.					
4% Inscribed, 1885 .	5,970,000	1920	100	4½	} 1 Jan.—1 July.
3½% " 1889 (t)	4,987,250	1921-6†	94	4½	
3% " (t) . .	5,211,331	1929-49†	77	4½	
QUEENSLAND.					
4% Inscribed Stock (t)	7,939,000	1924	101	3½	} 1 Jan.—1 July.
3½% " " (t)	4,834,334	1921-24†	93	4½	
3% " " (t)	4,274,213	1922-47†	73	4½	
SOUTH AUSTRALIA.					
4% Bonds	1,359,300	1916	101	4½	} 1 Apr.—1 Oct.
4% Inscribed Stock .	6,281,500	1916-7-36†	98x	4½	
3½% " " (t)	2,517,800	1939	89	4½	} 1 Jan.—1 July.
3% " " (t)	839,500	1916-26†	87	4½	
3% " " (t)	2,760,100	1916 † or after.	73	4½	
WESTERN AUSTRALIA.					
3½% Inscribed (t) . .	3,780,000	1920-35†	89	4½	} 1 May—1 Nov.
3% " (t) . .	3,750,000	1915-35†	81	4½	
3% " (t) . .	2,500,000	1927†	87	4½	
TASMANIA.					
3½% Inscbd. Stock (t)	4,156,500	1920-40†	89	4½	} 1 Jan.—1 July.
4% " " " (t)	1,000,000	1920-40*	101	3½	
3% (t)	450,000	1920-40†	81	4½	

* Yield calculated on earlier date of redemption.

† Yield calculated on latest date of redemption.

‡ No allowance for redemption.

(t) Eligible for Trustee Investment.

(x) Ex dividend.

the first half of the year amounted to £134,122 against £129,982 in the corresponding half of 1912, despite some decline in the deposits. The current and deposit accounts appear in the balance-sheet at £20,013,000, showing a decrease of about £800,000. As already announced, the dividend is maintained at the rate of 10 per cent. per annum with £50,000 to reserve and £56,987 carried forward. At the shareholders' meeting in Sydney the increase of the paid-up capital to £2,000,000 was duly sanctioned, and 20,000 new shares of £25 each, £12 10s. paid, are being offered to the existing shareholders at par.

As a sequel to the recent new capital resolutions of the shareholders of the Bank of New Zealand and the subsequent declaration of the Supreme Court that these were ultra vires, the Dominion Government has now brought in a Bill providing for the new capital and its mode of issue. The existing State

AUSTRALIAN MUNICIPAL AND OTHER BONDS.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Melbourne & Met. Bd. } of Works 4% Debs. }	1,000,000	1921	97	4 $\frac{5}{8}$	1 Apl.—1 Oct.
Do. City 4% Deb. . .	850,000	1915-22*	98	5 $\frac{5}{8}$	} 1 Jan.—1 July.
Melbourne Trams } Trust 4 $\frac{1}{2}$ % Debs. }	1,650,000	1914-16*	100	4 $\frac{3}{4}$	
S. Melbourne 4 $\frac{1}{2}$ % Debs.	128,700	1919	100	4 $\frac{9}{16}$	} 1 Jan.—1 July.
Sydney 4% Debs. . .	300,000	1919	98	4 $\frac{7}{16}$	

* Yield calculated on earlier date of redemption.

AUSTRALIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Emu Bay and Mount Bischoff . . .	12,000	% 5	5	5 $\frac{1}{2}$	4 $\frac{3}{8}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock . . .	£130,900	4 $\frac{1}{2}$	100	9 $\frac{1}{2}$	4 $\frac{3}{8}$
BANKS AND COMPANIES.					
Bank of Australasia	40,000	17	40	117	5 $\frac{3}{8}$
Bank of New South Wales	125,000	10	20	38	5 $\frac{1}{2}$
Union Bank of Australia £75 . . .	60,000	14	25	54	6 $\frac{7}{16}$
Do. 4% Inscribed Stock Deposits . .	£600,000	4	100	98	4 $\frac{3}{8}$
Australian Merc. Land & Finance £25	80,000	12 $\frac{1}{2}$	5	7	8 $\frac{3}{8}$
Do. 4% Perp. Deb. Stock	£1,900,000	4	100	90	4 $\frac{7}{16}$
Dalgety & Co. £20	154,000	8	5	6 $\frac{1}{2}$	6 $\frac{3}{8}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock	£511,037	4 $\frac{1}{2}$	100	100	4 $\frac{3}{8}$
Goldsbrough Mort & Co. 4% A Deb. } Stock Reduced }	£998,530	4	100	81 $\frac{1}{2}$	4 $\frac{7}{8}$
Do. B Income Reduced	£669,543	5	100	93 $\frac{1}{2}$	5 $\frac{5}{16}$
South Australian Company £15 . . .	14,200	£4	£4	57 $\frac{1}{2}$	6 $\frac{3}{8}$
Trust & Agency of Australasia . . .	54,979	12 $\frac{1}{2}$	1	1 $\frac{3}{8}$	10 $\frac{1}{2}$
Do. 5% Cum. Pref.	100,000	5	10	9 $\frac{1}{2}$	5 $\frac{3}{8}$

NEW ZEALAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
5% Bonds	266,300	1914	101	4 $\frac{1}{8}$	15 Jan.—15 July.
4% Inscribed Stock (t)	29,295,302	1929	101	4	1 May—1 Nov.
3 $\frac{1}{2}$ % Stock (t)	17,528,932	1940	90	4 $\frac{1}{2}$	1 Jan.—1 July.
3% Inscribed Stock (t)	9,659,980	1945	77	4 $\frac{7}{16}$	1 Apr.—1 Oct.

(t) Eligible for Trustee investments.

Guaranteed stock to the amount of £1,000,000 is to be renewed and sinking fund provided to extinguish it in twenty years. Power is given to the directors to issue £3,000,000 of new capital, of which £2,000,000 is to be in Ordinary shares and £1,000,000 in "B" Preference shares, the Government having the first option of

acquiring the Preference, whereas the shareholders are to be given the option of taking up the new Ordinary shares. The Crown veto is to remain unaltered and no change is to be made in the directorate.

With the return of more settled labour conditions, the Rand

NEW ZEALAND MUNICIPAL AND OTHER SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Auckland 5% Deb. . .	200,000	1934-8*	105	4 $\frac{5}{8}$	1 Jan.—1 July.
Do. Hbr. Bd. 5% Debs. .	150,000	1917	103	4 $\frac{9}{16}$	10 April—10 Oct.
Bank of N. Z. shares† .	150,000	div. 15%	11	4 $\frac{1}{2}$	—
Do. 4% Gua. Stock† .	£1,000,000	1914	100	4 $\frac{1}{2}$	April—Oct.
Christchurch 6% Drainage Loan. . .	200,000	1926	111 $\frac{1}{2}$	4 $\frac{7}{8}$	30 June—31 Dec.
Lyttleton Hbr. Bd. 6% .	200,000	1929	109 $\frac{1}{2}$	5 $\frac{3}{16}$	} 1 Jan.—1 July.
Napier Hbr. Bd. 5% Debs.	300,000	1920	101	4 $\frac{7}{8}$	
Do. 5% Debs.	200,000	1928	101	4 $\frac{15}{16}$	
National Bank of N.Z.) £7 $\frac{1}{2}$ Shares £2 $\frac{1}{2}$ paid	200,000	div. 13%	5 $\frac{1}{2}$	6 $\frac{3}{16}$	Jan.—July.
Oamaru 5% Bds. . . .	173,800	1920	98	5 $\frac{7}{16}$	1 Jan.—1 July.
Otago Hbr. Cons. Bds. 5%	443,100	1934	102	4 $\frac{7}{8}$	1 Jan.—1 July.
Wellington 6% Impts. Loan	100,000	1914-29	103 $\frac{1}{2}$	—	1 Mar.—1 Sept.
Do. 6% Waterworks . .	130,000	1929	113 $\frac{1}{2}$	4 $\frac{3}{4}$	1 Mar.—1 Sept.
Do. 4 $\frac{1}{2}$ % Debs. . . .	165,000	1933	101	4 $\frac{1}{2}$	1 May—1 Nov.
Westport Hbr. 4% Debs.	150,000	1925	97	4 $\frac{5}{16}$	1 Mar.—1 Sept.

* Yield calculated on earlier date of redemption.

† £6 13s. 4d. Shares with £3 6s. 8d. paid up.

‡ Guaranteed by New Zealand Government.

SOUTH AFRICAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
CAPE COLONY.					
4 $\frac{1}{2}$ % Bonds	£ 261,400	dwgs. 1923	102	4 $\frac{7}{16}$	15 Apr.—15 Oct.
4% 1883 Inscribed . .	3,670,995	1923	101	4	1 June—1 Dec.
4% 1886 "	9,860,466	1916-36*	99x	4 $\frac{5}{8}$	15 Apr.—15 Oct.
3 $\frac{1}{2}$ % 1886 " (t). . . .	14,991,244	1929-49†	89	4 $\frac{7}{16}$	1 Jan.—1 July.
3% 1886 " (t). . . .	7,483,240	1933-43†	79	4 $\frac{1}{2}$	1 Feb.—1 Aug.
NATAL.					
4 $\frac{1}{2}$ % Bonds, 1876 . . .	758,700	1919	101x	4 $\frac{1}{2}$	15 Mar.—15 Sep.
4% Inscribed (t) . . .	3,026,444	1937	100	4 $\frac{1}{16}$	Apr.—Oct.
3 $\frac{1}{2}$ % " (t)	3,714,917	1914-39†	89	4 $\frac{3}{16}$	1 June—1 Dec.
3% " (t)	6,000,000	1929-49†	78	4 $\frac{1}{2}$	1 Jan.—1 July.
TRANSVAAL.					
3% Guartd. Stock (t) .	35,000,000	1923-53†	90	3 $\frac{1}{2}$	1 May—1 Nov.

* Yield calculated on earlier date of redemption.

† Yield calculated on later date of redemption.

(t) Eligible for Trustee Investments.

(x) Ex dividend.

gold output showed substantial recovery during August, but there is still much leeway to be made up before the production recovers to the rate ruling before the strike. August's output was substantially lower than that for the corresponding month of last year, as will be seen from the following statement, giving the production month by month for several years past.

Month.	1913.	1912.	1911.	1910.	1909.	1908.
	£	£	£	£	£	£
January . .	3,353,116	3,130,830	2,765,386	2,554,451	2,612,836	2,380,124
February . .	3,118,352	2,989,832	2,594,634	2,445,088	2,400,892	2,301,971
March . . .	3,358,050	3,528,688	2,871,740	2,578,877	2,580,498	2,442,022
April . . .	3,334,358	3,133,383	2,836,267	2,629,535	2,578,804	2,403,500
May	3,373,998	3,311,794	2,913,734	2,693,785	2,652,699	2,472,143
June	3,173,382	3,202,517	2,907,854	2,655,602	2,621,818	2,442,329
July	2,783,917	3,255,193	3,012,738	2,713,083	2,636,965	2,482,608
August . . .	3,092,754	3,248,395	3,030,360	2,757,919	2,597,646	2,496,869
September .	—	3,176,846	2,976,065	2,747,853	2,575,760	2,496,112
October . .	—	3,265,150	3,010,130	2,774,390	2,558,902	2,624,012
November .	—	3,216,965	3,057,213	2,729,554	2,539,146	2,609,685
December .	—	3,297,962	3,015,499	2,722,775	2,569,822	2,806,235
Total * .	25,587,927	38,757,560	34,991,620	32,002,912	30,925,788	29,957,610

* Including undeclared amounts omitted from the monthly returns.

There was a further heavy diminution in the native labour supply for the Transvaal gold mines during August, the net loss on the month being as many as 12,019 hands against 3,814 during August last year. This brought the total supply down to 158,223 against 179,111 at the end of August, 1912. This statement shows the course of the labour supply month by month this year and last.

Month.	Net Gain on Month.	Natives Employed end of Month.	Month.	Net Gain on Month.	Natives Employed end of Month.
January 1912 .	5,764	184,046	January 1913 .	8,774	200,090
February " .	6,274	190,320	February " .	7,572	207,662
March " . .	6,428	196,748	March " . .	71	207,733
April " . .	1,189	197,937	April " . .	2,309*	205,424
May " . . .	4,108*	193,829	May " . . .	7,780*	197,644
June " . . .	5,335*	188,494	June " . . .	8,550*	188,094
July " . . .	5,569*	182,925	July " . . .	17,852*	170,242
August " . .	3,814*	179,111	August " . .	12,019*	158,223
September " .	1,628	180,739	—	—	—
October " . .	1,319	182,058	—	—	—
November " .	4,823	186,881	—	—	—
December " .	4,435	191,316	—	—	—

* Net loss.

There was a further improvement in the Rhodesian gold production during August, the total for the month being some £1,200 better than for July and about £11,500 more than for August last year, though it falls considerably short of the record return for

SOUTH AFRICAN MUNICIPAL SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Bloemfontein 4% . .	£ 763,000	1954	93	4 $\frac{3}{8}$	1 Jan.—1 July.
Cape Town 4% . . .	1,851,850	1953	96	4 $\frac{3}{8}$	1 Jan.—1 July.
Durban 4%	850,000	1951-3	94	4 $\frac{5}{8}$	30 June—31 Dec.
Johannesburg 4% . .	5,500,000	1933-4	92	4 $\frac{1}{2}$	1 April—1 Oct.
Krugersdorp 4% . . .	100,000	1930	92	4 $\frac{1}{2}$	1 June—1 Dec.
Pietermaritzburg 4%	825,000	1949-53	92	4 $\frac{7}{8}$	30 June—31 Dec.
Port Elizabeth 4% . .	369,468	1964	93	4 $\frac{5}{8}$	30 June—31 Dec.
Pretoria 4%	1,250,000	1939	94	4 $\frac{5}{8}$	1 Jan.—1 July.
Rand Water Board 4%	3,400,000	1935	93	4 $\frac{1}{2}$	1 Jan.—1 July.

SOUTH AFRICAN RAILWAYS, BANKS, AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Mashonaland 5% Debs.	£2,500,000	5	100	95	5 $\frac{1}{2}$
Rhodesia Ryis. 5% 1st Mort. Debs. } guar. by B.S.A. Co. till 1915. . . }	£1,931,800	5	100	101	4 $\frac{1}{2}$
Trans-African 5% Debs. Red. . . .	£1,845,300	5	100	82	6 $\frac{1}{8}$
BANKS AND COMPANIES.					
African Banking Corporation £10 shares	80,000	7	5	6	5 $\frac{1}{2}$
Natal Bank £10	148,232	8	2 $\frac{1}{2}$	2 $\frac{3}{4}$	7 $\frac{1}{2}$
National Bank of S. Africa £10 . .	131,690	6	10	11 $\frac{1}{2}$	5 $\frac{1}{2}$
Standard Bank of S. Africa £20 . .	309,705	14	5	12	5 $\frac{1}{2}$
Ohlsson's Cape Breweries	60,000	8	5	5 $\frac{1}{2}$	7 $\frac{1}{2}$
South African Breweries	965,279	17 $\frac{1}{2}$	1	2	8 $\frac{1}{2}$
British South Africa (Chartered) . .	8,937,559	nil	1	1 $\frac{1}{2}$	nil
Do. 5% Debs. Red.	£1,250,000	5	100	104	4 $\frac{3}{8}$
Natal Land and Colonization	68,066	6 $\frac{1}{2}$	5	3 $\frac{7}{8}$	8 $\frac{3}{8}$
Cape Town & District Gas Light & Coke	10,000	nil	10	2 $\frac{3}{8}$	—
Kimberley Waterworks £10	45,000	5 $\frac{3}{4}$	7	6	6 $\frac{1}{8}$

last March. The following statement shows the monthly output for several years past.

Month.	1913.	1912.	1911.	1910.	1909.	1908.
	£	£	£	£	£	£
January	220,776	214,918	207,903	227,511	204,666	199,380
February	208,744	209,744	203,055	203,888	192,497	191,635
March	257,797	215,102	231,947	228,385	202,157	200,615
April	241,098	221,476	221,296	228,213	222,700	212,935
May	242,452	234,407	211,413	224,888	225,032	223,867
June	241,303	226,867	215,347	214,709	217,600	224,920
July	249,302	240,514	237,517	195,233	225,234	228,151
August	250,576	239,077	243,712	191,423	228,296	220,792
September	—	230,573	225,777	179,950	213,249	204,262
October	—	230,072	218,862	234,928	222,653	205,466
November	—	225,957	214,040	240,573	236,307	196,668
December	—	218,661	217,026	199,500	233,397	217,316
Total	1,912,048	2,707,368	2,647,895	2,569,201	2,623,788	2,526,007

The other minerals produced from Southern Rhodesia during August comprised 11,777 ounces of silver, 25 tons of lead, 20,494 tons of coal, 11,712 tons of chrome ore, 79 tons of asbestos, and 90 carats of diamonds valued at £472.

CROWN COLONY SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Barbadoes 3½% ins. (t)	375,000	1925-42†	90	4½ ¹ / ₈	1 Mar.—1 Sep.
Brit. Guiana 3% ins. (t)	250,000	1923-45†	80	4½ ¹ / ₈	1 Feb.—1 Aug.
Ceylon 4% ins. (t) . .	1,076,100	1934	100	4	15 Feb.—15 Aug.
Do. 3% ins. (t) . . .	2,850,000	1940	81	4½ ¹ / ₂	1 May—1 Nov.
Hong-Kong 3½% ins. (t)	1,485,733	1918-43†	88	4½ ¹ / ₂	15 Apr.—15 Oct.
Jamaica 4% ins. (t) .	1,099,048	1934	99	4½ ¹ / ₈	15 Feb.—15 Aug.
Do. 3½% ins. (t) . .	1,493,600	1919-49†	89	4½ ¹ / ₈	24 Jan.—24 July.
Mauritius 3% guar.)					
Great Britain (t) . }	600,000	1940	87	3½ ³ / ₈	1 Jan.—1 July.
Do. 4% ins. (t) . . .	482,390	1937	99	4½ ¹ / ₈	1 Feb.—1 Aug.
Sierra Leone 3½% ins. (t)	729,848	1929-54†	91	3½ ³ / ₈	1 June—1 Dec.
Trinidad 4% ins. . .	422,593	1917-42*	98	4½ ¹ / ₂	15 Mar.—15 Sep.
Do. 3% ins. (t) . . .	600,000	1922-44†	80	4½ ³ / ₈	15 Jan.—15 July.
Hong-Kong & Shang- hai Bank Shares . }	120,000	Div. £4½	£82	5½	Feb.—Aug.

* Yield calculated on shorter period.

† Yield calculated on longer period.

(t) Eligible for Trustee Investments.

EGYPTIAN SECURITIES.

Title.	Amount or Number of Shares.	Dividend for last Year.	Paid up.	Price.	Yield.
Egyptian Govt. Guaranteed Loan (t) .	£7,102,800	3	99	89	3½ ⁵ / ₈
Unified Debt	£55,971,960	4	100	99½	4
National Bank of Egypt	300,000	8	10	17½	4½ ⁵ / ₈
Agricultural Bank of Egypt, Ordinary	496,000	5½	5	5½	5
" " Preferred	125,000	4	10	8	5
" " Bonds .	£2,350,000	3½	100	82	4½

(t) Eligible for Trustee Investments.

TRUSTEE.

September 23, 1913.

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THE NAVAL OUTLOOK

MR. CHURCHILL'S PROMISES AND PERFORMANCES

BY ADMIRAL LORD CHARLES BERESFORD,
G.C.B., G.C.V.O., M.P.

How long will the British people allow party politicians to gamble with the fate of the British Empire?

The First Lord of the Admiralty has made many speeches warning the country of the dangers ahead. He has gone further; he has suggested methods by which those dangers might be averted. He laid down a standard which he asserted was the *minimum force* necessary for the Empire's safety. Many strategists think that standard far below the margin required; nevertheless, it was a definite standard. He has now deserted it, and entered upon a policy involving calculations that confound the ordinary intellect. The standard he laid down was one of percentages. It may be observed that sea-battles have not been won heretofore by calculations in percentages.

Mr. Churchill's original standard was sixty per cent. over the next strongest European naval power, of which fifty per cent. was to be utilised for the protection of the United Kingdom, the remaining ten per cent. for the "world-wide defence of the Empire." Taking heavy armoured ships, built, building, and projected, we have only fifty per cent.—for world-wide defence. This was pointed out conclusively by Lord Selborne in an able paper written for the September number of this Review. "By the end of 1915, Great Britain will have thirty-nine heavy armoured ships, instead of forty-two, required by the sixty per cent. standard. The *Australia*, *New Zealand*, and *Malaya* and the three prospective Canadian ships, are NOT included in the

thirty-nine heavy ships, as, according to the First Lord's statement of 26th March, 1913, 'They are additional to the requirements of the sixty per cent. standard.' '*

The position is more serious, as the First Lord allowed that at any given time from twenty-five to thirty per cent. of these ships might be laid up for repairs and yearly refits. This reduces the number of ships ready for "instant action" at "our average moment," as compared with the number the next strongest naval power might have ready for "instant action" at "her selected moment."

The First Lord stated that next year the German fleet will have twenty heavy armoured ships in the North Sea. To meet this force we should require, with a fifty per cent. margin, thirty heavy armoured ships. Completed ships by that date for the Imperial Navy will be thirty-one. The recent allocation of the fleet provides for five of these ships to be stationed at bases in the Mediterranean, leaving twenty-six in home waters. Twenty-six only gives a margin of thirty per cent., possibly reduced to twenty per cent., if twenty-five per cent. is allowed, as stated by the First Lord, for ships refitting, etc.

Mr. Churchill's standards are even more puzzling than his politics. He commenced with a sixty per cent. standard for world-wide defence; (he has only provided for a fifty per cent. standard). On one occasion he brought in a three to two standard. He has spoken of a two to one standard in newly built ships. His latest standard is one of "quality" as against "quantity" comparing our ships with those of other Powers, a boastful suggestion of an irritating character, which had better have been left unsaid.

Lord Selborne has told us on several occasions that we are short of a whole squadron of battleships for the Mediterranean. He is perfectly right, but these battleships would be useless without the necessary auxiliaries and fleet units (with their complements of officers and men), which can alone render the heavy ships effective. The First Lord has not yet informed the public as to the percentage he considers necessary for fleet units—cruisers, torpedo craft, etc., etc.; if he would do this he would reveal the fact that we are dangerously short in these particulars. At the present moment we are SIX HEAVY ARMOURD SHIPS SHORT, with their units and auxiliaries, to make up the number which he stated was necessary in his standard of sixty per cent.—three to make up the percentage for "the minimum essential for safety" at home, three more to provide for "world-wide defence."

How does he attempt to meet this shortage? By hurrying forward by a few months three ships already laid down. But this expedient does not meet the necessity at all; what we want,

* Parliamentary Debates, Official Report, March 26th, 1913.

according to his own statement, is SIX NEW KEELS ; no acceleration of ships already laid down will meet the case.

The First Lord stated that if Canada failed to provide for three ships, the British Government would build them. He has taken no steps to redeem his promise.

He has himself said that this hurrying forward is only a "temporary expedient," one probably actuated by party, Treasury, and other reasons, certainly not by the necessities for defence.

What is the use of a standard unless it is maintained? When will the country insist that a commencement should be made to obtain that proportion of strength which authority states is "vital to our safety"?

By no possibility can the First Lord build and put into commission ships sufficient to provide the number that he himself has stated are necessary for our defence by 1915. He cannot have the force he deems necessary for home defence without denuding the Mediterranean of the five heavy armoured ships which are to be stationed in that sea.

When the First Lord recalled the fleet from the Mediterranean the public (who in these days appear to stand anything) did for once exert its power, and compelled him to reconsider the order. In deference to public outcry, he promised that within a short time four battle cruisers would be sent to the Mediterranean. As a matter of fact, for several months only one represented the four.

Notwithstanding the denials given in a violent manner by the First Lord in the House of Commons, we are still far short of the requisite number of officers and men for present and future requirements. Since these denials, officers and men have been recruited by every conceivable means imaginable. Even now it is impossible to send a navigating party to bring a ship round from a contractor without taking men from instantly ready ships in commission and filling up their places with boys. The devices to obtain officers are well known to the public, and are proof positive that the great Education Scheme of 1902 has failed to supply the number needed. It takes nine years to train a lieutenant, and five years properly to train a man. Therefore the ships will be partly manned by half-trained men for some years to come, reducing the efficiency we previously possessed owing to the advantages attaching to continued service in the Navy.

It is a most disquieting fact that the Board of Admiralty is never mentioned with regard to naval questions. In the House of Commons and in the Press we hear nothing but "what Mr. Winston Churchill is going to do," or "not going to do." Apparently the Board is practically superseded. The same state of affairs exists as that which obtained when Mr. Childers was at the Admiralty. The public took the question up and insisted

that the opinion of the Board should be given, not the opinion of one man, who was for the moment the politician responsible and answerable for the Navy.

At the present moment the First Lord has advisers (particularly the members of the War Staff) who are some of the most able officers in the British Navy. When he speaks, especially upon strategical and tactical questions (about which he can know nothing), it would appear that what he says is the opinion of those who understand the question. A different state of affairs exists when the time for action arrives.

After all the fine phrases and rhetorical skill used in describing dangers ahead, and suggesting plans for meeting them, the First Lord either does nothing, or eats his own words, and completely changes the policy he himself enunciated as the right one to pursue. His deeds in no way correspond to his words.

Reading between the lines of his speech at Manchester, in which he speaks of naval necessities, and the immense sums required to provide for them, the student will perceive that the First Lord was expressing the opinion of his naval advisers. It is to be hoped that his deeds will correspond more nearly with his words on this occasion.

The serious mistake of laying down five first class heavy armoured ships with oil only as the propelling power (in addition to the large number of small ships we have building and built to burn oil) without first having made sure that the necessary amount of oil could be procured, and that arrangements had been made for proper reserve storage, will alone add enormously to the navy estimates in the coming year. This investment will be in the nature of a gamble, as we are by no means sure that we can obtain the necessary amount, even at an exorbitant price. The public have the right to demand that the report of the Royal Commission on Oil Fuel should be published in full; it is public money that will be spent, and the public should know how its money will be spent, and whether, if these large sums are spent, we can make certain of the necessary amount of oil being available.

With regard to the position in the Mediterranean. In 1914 the Italian fleet will possess four first class armoured ships; the Austrian fleet will possess three first class armoured ships. They will have a strong naval colleague in the German battle-cruiser stationed in those waters, giving a total of eight heavy armoured ships for the Triple Alliance. As already shown, we cannot further denude the fleet in home waters for reinforcing the Mediterranean.

The First Lord told us that in 1915 Austria would possess four and Italy six heavy armoured ships—a total of ten. He further said that “in the year 1915 a squadron of battle-cruisers and armoured cruisers will not suffice to meet requirements in the

Mediterranean, and the whole position must be reconsidered." The necessary force cannot be supplied "by consideration." It cannot be supplied by any possible means whatever, as there will not be time to build, equip, and man vessels in order to increase the force which the First Lord states at that time "will not suffice to meet requirements."

In addition to the foreign ships which the First Lord has stated will be ready in 1915, the Italian Government has just decided to lay down two more heavy armoured ships of the most modern and powerful type, and a further two are projected, all ships to be completed with all possible speed. It is quite conceivable that the allies in the Mediterranean might have fifteen first class heavy armoured ships by the beginning of 1916, including the German heavy armoured ship.

The First Lord said in the House of Commons that "there was no probability of Austria or Italy adopting a new programme in the near future." Recent events prove that his statement was incorrect.

During the last few years, whenever the Prime Minister's attention has been called to the probability of Austria or Italy increasing their constructive programmes, he has declared that such programmes were either "paper" or "hypothetical."

The Canadian ships, even if sanctioned, cannot be ready by the date upon which the First Lord stated that they will be "absolutely necessary" for "world-wide defence." There is some suggestion that Canada should pay for the three ships being hurried forward, but that still leaves us six keels short to meet his own requirements. The three ships proposed by the Canadian Government were the outcome of the alarming memorandum sent to them by the British Admiralty, which Mr. Borden described in the following sentence :

"The information placed before us discloses so grave a situation, that it calls for immediate action."

The Opposition in Canada thought the situation was not grave, and that there was no emergency. The fact that the First Lord had neglected to lay down the three ships necessary to meet his own margin for home defence will provide a strong argument for the Opposition in Canada.

We were told that the three Canadian ships were "absolutely necessary" for "world-wide defence," and that the three British ships were "absolutely necessary" to supply the 50 per cent. margin. That argument was based on the number of foreign ships built, building, and projected, at the date it was made. In what position do we find ourselves now, when the countries in alliance in the Mediterranean have got beyond the stage of

projection, and have actually laid down the new vessels, while they are at the same time projecting further increases?

All these facts point to an emergency. In this emergency, the British Government refuses to hold consultations with the Dominions on questions connected with Imperial defence as a whole, the explanation being that the political situation is troublesome at home. What on earth have party difficulties to do with the Imperial requirements for the safety of the Empire? Australia, New Zealand, and Canada at the present moment are all proposing different methods for Imperial naval defence; unless a conference is held, different policies will cause great confusion and enormous expense, without properly effecting the object in view. How can the strength of the Imperial fleet be automatically expanded and assured unless the Mother Country and the Dominions are agreed on some clear and definite programme?

It is recognised by the Dominions that it is utterly impossible for Great Britain unaided to bear the burden of keeping open the seas for the protection of the Empire's commerce. The Commonwealth Government has recently asked for a consultation, and will hardly be satisfied with the statement that party political pressure is of more importance than problems of Imperial defence. From the cablegrams and press notices that have appeared, there is no doubt that the Dominions are surprised and that they acutely regret the decision. That decision implies that the naval situation, which appeared so menacing in the Admiralty memorandum to the Canadian Government is no longer critical. As a matter of fact, the situation is becoming worse, and the increase in naval construction abroad makes the co-operation of the Dominions more imperative than it was before. The peoples of Canada, South Africa, Australia, and New Zealand are all anxious to confer as soon as possible with the Imperial Government on these urgent problems. Why does the government of the day inflict an unmerited snub on those who are doing their level best to get an Imperial Navy for Imperial defence? Instead of inviting consolidation, co-ordination, and sympathy between the Mother Country and the Dominions, the Government are doing their best to stifle their aspirations.

The Panama Canal will be opened in the near future. It will alter the strategical position in the Pacific, and, to a large extent, the strategical position throughout the world. The urgent necessity for a conference increases as foreign naval armaments increase in volume. Further constructive programmes are necessary. Are we to take no thought for the morrow? Our want of preparation is entirely due to the fault of not looking ahead. At no time in our history has it been more vital to our safety to organise and prepare beforehand. With this object in view, a

conference would appear to be of vital necessity in order to get the advice and guidance of the British Government.

Everybody will be delighted at the improvement of our relations with Germany, but because they have become more friendly, there is no reason why our defences should not be raised to the minimum position for safety which the Authority deems necessary. Policy and sentiment may alter in an afternoon ; it takes two years to build a battleship.

The First Lord at Manchester endeavoured to induce the British public to believe that he would reduce the navy estimates provided that Germany did the same. He knew perfectly well that Germany has no intention of accepting gratuitous advice on questions concerning matters which she rightly considers are entirely within her own domain. A previous suggestion on similar lines made by him was regarded by Germany as impertinent ; why make the suggestion again ? The result has been to produce a chorus of indignation in Germany, showing that if the first suggestion was regarded as impertinent, the second is looked upon as an insult. An attempt to dictate to any Power a limit to her defences must produce friction. One high authority in Germany has expressed the hope "that the First Lord of the Admiralty will stop damaging Anglo-German relations" ; another states that "the proposal can only serve as a cloud over the newly improved situation between the two countries." These continued proposals to Germany are most undignified, and are regarded as offensive. The First Lord appears to forget that by humiliating himself he humiliates the great Service of which he is the chief. His rhodomontade on this point is really another effort to fool the British public. He must know that even supposing the possibility of Germany acceding to his views, it will not relieve us of the responsibility of building a division of battleships for the Mediterranean. Is it likely that Austria and Italy are going to listen for a minute to a proposal curtailing what they consider necessary for their sea power in order to make the First Lord popular with the British democracy ? His effort is made to appear as an attempt to appease our possible enemies. He forgets the effect that these specious suggestions may produce upon our friends. At the present moment we are largely trusting to our friendship with others for the defence of our immense interests in the Mediterranean. The suggestion of the First Lord may place us in the position of arousing suspicion in the minds of our friends ; it certainly has aroused the amusement, if not the contempt, of our possible enemies.

With the exception of a few isolated members, the Opposition is much to blame for the present state of affairs by allowing

things to continue without severe criticism. There is a strange idea prevalent that to criticise questions connected with the Services drags them into the arena of party. Such an idea is mischievous. The duty of the Opposition is to criticise. There has never been a subject more open to just and fair criticism. The difference between the First Lord's words and his deeds affords ample opportunity for the Opposition to speak on national Imperial affairs, quite apart from party warfare.

No matter what political opinions people may hold, they are all agreed that the naval supremacy of the Empire is vital to its protection, the safety of its commerce and the peace of the world.

Our supremacy at sea has gone. It commenced to decline (comparatively) in power when the "Dreadnought" era began. By a late Admiralty return, in 1904-05 the naval expenditure of five of the great European Powers was 80½ millions; the estimates for the same Powers for 1913-14 are nearly 124 millions, an increase of over 50 per cent.

What caused this insane competition in armaments? It was the inevitable result of the blatant advertisement of the "Dreadnought" and statements such as—"she, singly, would be able to sink whole fleets of other nations." The public were warned at the time that such bombast must involve an indefinite increase of expenditure. That warning has been justified.

The statement that the British fleet is stronger than it ever was before is true, but it was never weaker as compared with other nations. The proof is that there are now 150 "Dreadnoughts" built, building, or projected in the world, of which we own 39.

When we were supreme at sea we maintained our position with our own right hand. Now, as we are not supreme, we must perforce seek alliances and *ententes*, far more likely to run us into war than to maintain the peace.

Our supremacy at sea can only be restored by the united efforts of the component parts of the Empire. The Government have refused a conference with the Dominions, which must be the preliminary for restoring our sea supremacy.

The First Lord has proved himself one of the crudest and most cynical opportunists of modern times. The differences between his promises and performances while at the Admiralty show that opportunism is part of his nature. An opportunist is the most dangerous individual that could possibly be installed as political head of one of the fighting services.

Will our people wake up to facts before it is too late, or are they going to be fooled again?

CHARLES BERESFORD, Admiral.

MR. CHURCHILL'S OFFER TO GERMANY

By DIPLOMATIST

IF no one can equal Mr. Asquith in expanding ordinary platitudes into the most pompous language, from the standpoint of words, Mr. Churchill easily occupies first place amongst his colleagues on the Ministerial Bench. It is, however, only fair to say that since he became First Lord of the Admiralty his words have been more carefully selected; he has also observed greater decorum in his speeches than was the case when his chief aim seemed to be that of rivalling the Chancellor of the Exchequer in bitterness of attack and coarseness of expression.

His political reputation was suffering much from these causes when, fortunately for himself and for his party, circumstances placed him at the head of the Admiralty. Here, at any rate, a new *rôle* was open to him; he could extend himself when necessary on the patriotic note. This he has not failed to do, with the result that his political reputation has improved, and he has certainly shown a capacity wanting in his predecessor, Mr. McKenna. Still, he has not been able to divest himself of an innate love of advertisement, nor is he inclined to discard that feeling of superiority which he fondly believes to belong to himself and to himself alone.

One has only to read his speeches before he allied himself with the party of disintegration to see that the support which he gave the little naval policy of the late Sir Henry Campbell-Bannerman was in the nature of veneer. Mr. Churchill could never conscientiously describe himself as a little navyite. Ever since he has held the position of First Lord he has not hesitated to impress upon his audiences the need of a strong navy. But unfortunately he stops short at words. In the matter of deeds, his best friend could not describe him as robust. Yet he knows, as we all know, that we should be starved out of existence if, in the event of war, we were defeated at sea.

But his lot is not a happy one. In the Cabinet opinions are

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divided as to what our naval strength should be, and on the Radical benches both above and below the gangway there sit men whose vision is so dwarfed that any increase in our armaments is to them anathema. He knows as we all know that the Government came into office in 1906 on the policy of retrenchment, and more particularly on retrenchment in the army and navy estimates. Indeed, Sir Henry Campbell-Bannerman admitted this to be the case soon after his parliament assembled at Westminster. Nor is Mr. Asquith able to divorce himself from his own pronouncements against the expenditure of the Unionist Government on naval and military purposes. From the lofty and patriotic utterances of the Prime Minister since the days of the naval scare which he and his colleagues created in 1909, it is difficult to imagine that he took so different a line when in opposition. But all the same it is an indisputable fact. No wonder Mr. Churchill finds it difficult to steer a way between the rocks and shoals that beset his course whenever he ventures to put out to sea. No wonder he contents himself with words. For deeds have dangers for him patent to all.

From these premises one can understand the necessity of pacifying his little England supporters by a pretence of doing something to meet their views. Not that the Labour representatives in Parliament are deceived: they know the game, and what is more they play it themselves, at least a fair number of them do. All the same, it is necessary to create an atmosphere for their platforms, and it is the business of the First Lord to supply them with the powder necessary to keep the Labour vote in what they regard to be the right direction.

Now perhaps will be seen the true inwardness of the Naval holiday. One would have imagined that the very transparency of the suggestion would have killed it at birth. Instead, we find the same spook appearing again. This is hardly worthy of Mr. Churchill and certainly inconsistent with the traditions of the Admiralty. Having made the offer once and received the answer of Germany as well as the views of other Powers, the matter should not have been introduced the second time. To put it forward twice places this country in rather an invidious position, for it necessitates the Powers involved reopening a matter they had every reason to suppose closed. In this, as in so many of Mr. Churchill's schemes, he appears to have acted off his own bat; he could hardly have consulted with Sir Edward Grey, or we should not have encountered the rebuff from France that immediately followed.

Naturally in that section of the British press which supports a policy of peace-at-any-price the idea encountered less ridicule

than in the more substantial press of the country. But taken as a whole the move has met with little or no support. The *Times* says, in a generous manner, "we wish to speak with respect," but reminds the author that "the offer is disproportionate." After recalling Mr. Churchill's statement that next year we have to lay down four great ships "apart from the Canadian ships or their equivalent, apart from anything that may be required by new developments in the Mediterranean," that journal continues:—

The prospect is one which suggests difficulties for Mr. Churchill from his own party rather than from his political opponents. He amplified and defined his former offers to Germany of "a naval holiday," by proposing to abstain next year from building the four projected Dreadnoughts, if Germany will abstain for that year from building the two Dreadnoughts she has in view. The offer is disproportionate, because it postulates that British strength in Dreadnoughts is double that of Germany, which is by no means the case. It is also, we fear, impracticable. Naval strength cannot be reckoned in terms of capital ships alone. Such a proposal, if accepted, would not preclude Germany from spending the money she thus saved upon minor warships, or upon submarines. France may well feel that it would not in any case prevent the German Government from devoting the money towards paying for the new and costly increase in its land forces. We find it difficult to conceive, as Mr. Churchill does, Great Britain and Germany successfully submitting similar proposals to other Powers, which have very varying interests to guard and dangers to meet. He would have been more effectively employed in resuming his examination of dangers nearer home.

In these very temperate and sensible remarks there is much food for reflection, and it is to be hoped that for his own credit and for the dignity of the office he holds Mr. Churchill will abstain from again putting forward proposals so crude in conception as to make them impracticable and dangerous. Let him remember that we have ententes and Germany alliances to consider. To talk of this country and Germany submitting similar proposals to other Powers having "varying interests to guard and dangers to avert" is not only puerile but might bear the interpretation of interfering with the private affairs of other nations, and so be regarded, if not as an insult, at any rate as an impertinence.

But let us carry the case of disproportion a little further. Mr. Churchill's offer is confined to building in this country; even then it is dependent on developments in the Mediterranean. Now we all know that developments are taking place in the Mediterranean, and that if Mr. Churchill is not to eat his own words he will be compelled to strengthen our fleet in that sea in the near future. Again, the offer specially excepts the Canadian ships or their equivalent. Yet Mr. Churchill must be well aware that if, when the time comes for making his statement on the

Naval Estimates, these Canadian ships are not laid down or some arrangement made with the Dominion of Canada that will allow of his promise being kept to the country and the Empire, the Admiralty themselves will have to provide the equivalent of the Canadian ships. How then can he imagine that Germany would consent to delay the building of her two capital ships merely on the understanding that if this be done we would refrain from laying down our four capital ships? The idea is fantastical.

So much for the German side. But what about ourselves? Do we want to see 1906-9 again, a period that will ever be memorable in our naval history as one in which the Government of this country failed to do their duty to the Crown and the country? Do we want to see another naval scare generated by the folly of a false economy and a desire to pay party debts? No; a thousand times, no. Then I call upon the people of the British race to treat Mr. Churchill's suggestion with the contempt it deserves, and if he should again offend, to deal out to Mr. Churchill the punishment he will justly merit and fully deserve.

Looking back one recalls the offence given to Germany by Mr. McKenna, and it is hardly surprising that in present circumstances rumour should be busy with the report that Mr. Churchill's indiscretion may possibly retard the progress of Anglo-German relations. Happily any such rumour may be dismissed without discussion. The lines along which progress in this respect has advanced, and is still advancing, are far too sound to be shaken by the error the First Lord has undoubtedly made. Still it is to be regretted that when matters are going so smoothly, anything should be said or done likely to upset the feeling on either side. Regarding the effect of the proposal on Anglo-German relations, the true perspective of German sentiment is best expressed in the *Cologne Gazette*. After pointing out that Mr. Churchill has found little support, either in the English or in the German Press, for his fresh suggestion of a holiday year in naval construction, and making a reference to the fact that adverse criticisms are in the majority on both sides of the North Sea, that journal proceeds to say:—

Whatever may be adduced against the practicability of Mr. Churchill's idea, there can be no doubt regarding the English Naval Minister's good intention and the honesty of his utterances. Mr. Churchill did not say a word that could damage the friendly development of Anglo-German relations. Recognition of this fact cannot, however, as regards the subject itself, prevent the plain statement that the path upon which Mr. Churchill seeks a lightening of naval armaments can hardly be expected to lead to that end within any measurable time.

This opinion may be accepted as semi-official, and no one can regard it in any other light than generous to the First Lord. It is certainly most satisfactory to know in so authoritative a manner that Mr. Churchill has not in any way damaged the friendly development of the *rapprochement*. Had his indiscretion involved so disastrous a result, it would have gone hard with him amongst his own party.

The *Kreuz Zeitung*, the leading organ of the Conservative party, is hardly so polite as the *Cologne Gazette*, and concludes a leading article on the subject thus:—

Anybody who follows the attitude of the English Admiralty towards Germany cannot fail to detect a definite scheme in the periodical attempts to influence us and our naval construction programme. They try by all means in their power to wreck the German Navy Law, and they do not hesitate to infringe the sovereignty of a foreign State. These tactics are wrong. Not only are they useless, but they must contribute to arouse fresh antagonism. If people in England cherish the desire for a sincere political agreement with Germany they will do well to forbid Mr. Churchill his offensive oratorical interference in the domestic affairs of the German Empire.

This is exactly the kind of sentiment one did not wish to see raised, and although it may be taken that the *Cologne Gazette* expresses the general as well as the official view of Germany, it cannot be denied that some portion of German feeling is perturbed by so palpable a blunder. The *Vossische Zeitung*, a Radical organ, hits the right nail on the head when it says: "It was the party politician who spoke at Manchester, leaving the Minister of Marine somewhere else. Otherwise the Minister of Marine would have told Mr. Churchill that it was utterly impossible to discuss the subject in such circumstances." One can only trust the First Lord will take his lesson to heart and not again offend in like manner. After all, the Navy should be above party, but, like Mr. McKenna, his successor appears to forget at times what is expected from him in this respect, and in his anxiety to secure votes he is apt to lose sight of an essential duty of his office, namely, to take no risks.

The Berlin correspondent of the *Morning Post* says the reiteration of the holiday proposal has fallen flat in Berlin "except in circles where it has aroused indignation," and points out that the belief is gaining ground that the First Lord "is not acting in his capacity as a statesman, but is animated by a desire to increase his personal popularity." I presume the allusion is to the transparent attempt to get the Socialist and Labour vote on his side. A good point is made by the *Kreuz Zeitung*, that "Germany builds ships according to her own views." And so do we, but unfortunately both Mr. Churchill and Mr. McKenna

have persistently left this point out of sight and laid stress on the idea that Great Britain's naval programme rises and falls with that of Germany, thus giving colour to the suggestion that the two fleets are being built one against the other, when it is well-known that such is not the case. Germany, like ourselves, has her interests at home and abroad to look after. But our outside interests being more extensive than those of Germany, necessitate a larger fleet, while the fact that we are an island community renders a supreme navy to us a matter of paramount importance.

Mr. Churchill has told us more than once that Germany is marching unswervingly towards her goal. That is the line we should take, only let us know what that goal is. That is what the First Lord either cannot or will not do. Why do the Government not lay down a clear naval policy for us to pursue, and let us pursue that policy at all costs and quite irrespective of what Germany is doing or proposes to do? If this were done all possibility of friction would vanish.

Of course, Germany has no intention of departing from the naval programme laid down by the Reichstag. How could this be done? As Admiral von Tirpitz has told us over and over again, Germany's navy is not being built against us; nor are German interests and British interests identical. Germany has to keep an eye on France and Russia, and, as is well known, these Powers are adding considerably to their naval strength this very year. What, then, would be the effect of Germany closing down for a year? The same thing would happen in Germany as happened here in 1909-10—a navy scare and an enormous addition to German naval expenditure two years hence. In an interview with a special correspondent of the *Daily Chronicle*, Admiral von Tirpitz expresses the opinion that he is lost in wonder at the German navy being regarded as a danger or a menace. Great navies, he very truly observes, are rising everywhere. France, Russia, the United States, even Greece and the South American States, not to speak of Austria-Hungary and Italy, are all building large fleets. France and Russia are allied, and are together spending far more than Germany on naval construction. Is not Germany, then, a Great Power of Europe, to have a fleet for her protection? In short, the correspondent tells us that the Grand Admiral is a little inclined to ridicule the alarm that has been felt in England as to the objects of the German fleet. He does not wish to influence British naval policy in any way; but very properly insists that security is essential for his country. Germany cannot tolerate the idea of being again made a battleground. That, says the correspondent, was the keynote of the

Grand Admiral's statement, adding that he is naturally proud of his work, for under his hand a great navy has come into existence, which is already a notable factor in the development of foreign politics.

Mr. Churchill implies, without any reason whatever, that if this country and Germany made up their minds to stop building large ships for a year, that at the joint request of both Powers all other Powers would follow suit. Well, the *Times* has pointed out the absurdity of such a proposal. The marvellous thing is that it should ever have been made. Exactly how France stands towards Russia, or how Italy stands towards Austria-Hungary, we do not know; but one fact may be assumed, that however willing these Powers may be to curtail their expenditure on naval armaments, their arrangements for next year have advanced too far to allow of any alteration being made in their naval programmes. Again, it is by no means certain that Parliament would have acquiesced in Mr. Churchill's proposal, while as regards Germany it may be taken for granted that the Reichstag would never permit the Executive to vary the German Naval Law at what the people of Germany would, rightly or wrongly, regard as the dictation of a foreign Government. Then as to Japan. Is that Power to stop building, too? In that case, would not one of the objects of the Anglo-Japanese Alliance be jeopardised? Fancy also Russia losing a year after settling the lines of a new fleet and entering into contracts for new harbours and a supply of guns and ammunition. Then was it intended that Great Britain and Germany should go hat in hand to the United States? If any such attempt were to be made one can hardly doubt Uncle Sam would have something to say that neither Great Britain nor Germany would exactly appreciate.

No, Mr. Churchill, you must do your duty and leave other nations to look after themselves. That duty is to set your own house in order. If you persist in meddling with other people's houses you will get yourself disliked not only by possible enemies, but by your own friends. Take France for instance. Is it probable that France would desire a lessening of expenditure on the German Navy? Has not France, after much discussion, succeeded in obtaining a very large vote for the additional military force that Power has considered it necessary to raise in order to meet the increase in the German Army? If Germany did not build her two battleships this year, what is to prevent that money being utilised for military purposes. Mr. Churchill would have us believe that if neither Austria-Hungary nor Italy builds, the obligation would be removed from France and Great Britain, but as the Paris correspondent of the *Morning Post* points out, so far

as concerns France, this statement is directly contradicted by M. Marc Landry, the naval correspondent of the *Figaro*.

After remarking that if England has obtained such an advance on other navies that she can propose "a naval holiday," M. Landry says that these other navies, less fortunate, less powerful, or less rich, are within their rights in thinking that the time for a "holiday" has not yet come. France unhappily is not in a position, so far as concerns her Navy, to allow her to accept the views of the British Admiralty. "With great toil she is reconstituting her naval force, and is slowly endeavouring to make up for the time that has been lost. Patiently she is trying, not to recover the rank that she used to hold, but simply not to fall any lower in the scale of nations. Every year she must lay down a fixed number of warships in order that in 1918 she may at last have the twenty-eight battleships which are the minimum her situation demands." Now, says M. Landry, it is suggested that the realisation of this programme shall be adjourned for a year. That is impossible. It seems hardly necessary to pursue the subject further, so utterly absurd is the suggestion in any form.

The retort that Mr. Churchill is making the proposal because our yards are full and he cannot get the British ships built is rather humiliating; but it is being made, and naturally so after what the First Lord told the House of Commons when introducing the Naval Estimates this year. Obviously the most will be made of that indiscretion, and British prestige is not likely to be advanced by so ill-considered an observation.

Then what about the dockyards? Unless both Germany and ourselves utilise the skilled men got together both by the Government and the private yards for shipbuilding these men would, I take it, have to be discharged. Would that not throw a large number of men out of work and place a number of deserving families in a very precarious situation? I fancy even the Labour Party will see this side of the Naval Holiday; at any rate, if they are so obtuse, the sooner the dockyardsmen make them acquainted with it, the better.

But Mr. Churchill's "Naval Holiday" stands condemned out of his own mouth. In his speech at Manchester he gave us some interesting statistics. After quoting Burke to show that every set of circumstances involved every other set of circumstances, he proceeded to tell us, and tell us truly, that with the coming of the twentieth century everything, trade, revenue, income, capital had multiplied. The expenditure on our naval armaments has advanced by £12,000,000 in ten years, but the sea-borne trade of the country in the same period has advanced by more than £350,000,000. Our income has gone up at the rate of £500,000,000

a year, and the revenue raised by the State available for purposes of Government has increased by over £40,000,000. "Everything has advanced and expanded prodigiously, the burden has been increased, so has the means of supporting the burden." Yet "we are spending on the Navy only about 5 per cent. more than the proportion of the expenditure on armaments to national revenue which prevailed in Mr. Gladstone's time." Why then all this fuss about building four Dreadnoughts?

Moreover, similar statistics can be produced for Germany. Just as our trade and our Empire requires additional naval defence, so German trade and the German Empire needs the same. I should not be at all surprised if the trade of the German Empire had not gone up proportionally more than the trade of the British Empire. At any rate two capital ships would seem to be the least Germany can build to meet her growing requirements. Why stop these two ships? As our trade increases so our navy should increase. The premium should be higher as the risk increases, and so with Germany. The proposal of a naval holiday then is lessening the security of our commerce. Surely this is stretching the party system too far.

One is glad to see discussions taking place on the relations between England and Germany, and many of us were particularly pleased with the recent observations of the Headmaster of Winchester.

"They saw," he said, "the two great Teutonic peoples, whose function in history seemed to be to unite in handing on the torch of the highest civilisation that the world had seen, spending their time in malicious recriminations and spurring themselves on to a war which they almost regarded as inevitable. Let those who would avert war seek to foster and maintain in England a spirit of reasonableness and to disperse that atmosphere of suspicion which clung round all our views about Germany. As a nation we were absurdly sensitive and intolerant of criticism, but, apart from that, much of our misunderstanding was due to ignorance. To our shame, the acquaintance of the German people with our language and thought was far more intimate than ours with theirs. He believed that the aloofness of Englishmen on the Continent, due mainly to ignorance of foreign tongues, was often mistaken for pride, and was a frequent cause of misunderstanding."

But there was another kind of ignorance to which the speaker called the attention of his audience—an ignorance of the aims, traditions, manners, and customs of Germany—which cut even deeper. We needed mutual knowledge for a mutual understanding. Let us try, he said, to bring the men, and still better the boys, of the two nations into intimate relations. Pioneer attempts had been made to give German boys a month in England. It was by daily courtesies and small acts of consideration, and above all by attempts at mutual understanding, that we could slowly build up

international good will. It was more by those schoolboy visits and undergraduate intercourse than by interchange of compliments between the great ones of the earth, more even than by conferences in the Palace of Peace, that a true and cordial understanding was effected.

The Headmaster of Winchester is right. It is not conferences in the Palace of Peace that are wanted. All that is needed is to bring the two peoples closer together. The earlier in life the English boy and girl get to know the German boy and girl, the better will be the understanding between the nations. Every step in this direction should be encouraged. Great Britain and Germany must ever be commercial rivals, but they can never be foes ; that is unthinkable.

DIPLOMATIST.

FEDERATION OR DISINTEGRATION

WHICH SHALL IT BE?

BY AN IRISHMAN

THE shadow of impending calamity is gathering over the land. Throughout Great Britain and its Dominions across the seas all men are anxiously watching to see if a true, single-minded statesmanship of Empire will rise to avert the threatening catastrophe, or if party politics and partisanship will continue to hold sway, with the inevitable confusion and conflict which must ensue.

Such, without exaggeration, is the position of affairs, consequent on the situation produced by the latest attempt to solve the problem of the better government of Ireland. In his recent letter to *The Times*, Lord Loreburn has voiced, in forcible terms, the widespread anxiety that prevails on the subject—not alone in the British Isles, but throughout the Empire. Coming from so eminent a lawyer and so distinguished a statesman no whisper can be raised against his absolute integrity of purpose, and that very fact emphasises the gravity of his warning.

His opinion may be condensed into one of his own sentences :—“Both the paths which are open at this moment, unless some common agreement can be reached, must inevitably lead us into trouble.” In explanation, he asserts, what is evident to all, that, if the present course be persisted in, there will indubitably be civil war, because the Protestants in Ulster are definitely determined that they will not be arbitrarily evicted, without their consent, from their present place and status in the Empire; whilst if the existing Home Rule Bill is dropped or thrown out, there may still be disorder, because, in that event, the Nationalists will be grievously disappointed and resentful at the abandonment or rejection of their cause almost on the threshold of attainment.

It must be remembered that Lord Loreburn has always been a strong party man. He has defended his party on many occasions, and has invariably proved himself to be on the side of democracy. Coming from him there could hardly be a more scathing indictment of any great measure of Government

policy. But let that rest. The issues at stake are far too momentous for considerations of party politics or partisanship to enter into the question. Any note of that nature should be silenced at this time of national emergency. All thinking men should combine to place the question on a higher plane, and determine that right shall be done for the best welfare of the whole State irrespective of any other consideration.

Throughout the Empire the Press, with a few negligible exceptions, recognises the gravity of the situation—so indeed does every thinking man and woman. One and all are truly exercised in mind, and searching to find some way out of the apparently insoluble *impasse*. Yet most persons are so obsessed by party and partisanship, and so accustomed to the limited perspective bred from party and parochial concerns that they go round in circles whilst the outer world is wondering when they will wake up to a true sense of their responsibilities and take a broad, long view worthy of Empire itself. All simulate acceptance of the idea of a conference, and would welcome a settlement by consent if the terms were in accordance with their own particular views. All recognise that any settlement must involve a large amount of give and take, and partake of the nature of a compromise. But whilst the party responsible for this particular measure maintains, as a fundamental premiss, that the principles of the existing Bill must be preserved, as if that were of immaculate wisdom of conception, the opposing faction clamour for a general election, as if that were a panacea for all ills. And, whilst the men of Ulster steadfastly assert that they will not be driven out of the Union or accept domination by any Nationalist parliament and executive in Dublin, the Nationalists declare that their minimum is the very thing which the people of Ulster will not countenance.

Truly it is a medley of madness. No good purpose can be served by commenting on a "statesmanship" which could produce such a condition of affairs. The fact remains that, whichever way we look, the country is steadily drifting towards civil war.

However some extremists may pretend to deride the notion, it is generally realised that if the existing Bill be brought into force there will inevitably be bloodshed. And it will not merely be rioting, but an actual state of civil war, in which those opposing the then existing law will be doing so for conscience sake—not as revolutionaries endeavouring to uproot long-established authority or striving to enforce some new doctrine; but loyal men, maintaining their indefeasible right, as citizens of this Empire, to hold the place they have hitherto possessed and to safeguard their civil and religious liberties. It is difficult to find a parallel in English

history. Those who do not know Ireland have no idea of the intensity of feeling that has been roused in the north. It is a sentiment which has a deeply-rooted conscientious and religious basis, and, if the present spark be allowed to burst into flame, the only events in the history of this country which the outbreak will resemble are the grievous days when the Covenanters were hunted down or when the Ironsides of Cromwell rose up to defend their rights and religion. Surely no sane Englishman will permit such a monstrous condition to arise !

On the other hand, are those who press for a general election satisfied that such an election will provide a way out of the difficulty or heal the sore ? At every election numerous conflicting influences sway each elector, and all kinds of side-issues are dragged into the arena to obscure essentials or to secure the success of each particular candidate. If a general election were to result in the return to power of another Coalition Government—each part striving for some object of its own, irrespective of the common weal of the whole commonwealth—would the country and Empire be content to accept the present Bill with civil war as the inevitable consequence ? Or, if the Opposition were returned to power, would they be content merely to drop the present Bill, thereby placating Ulster, it is true, but rousing intense disappointment and resentment in those who had set their hopes on securing Home Rule for Ireland ? Or have they a definite, alternative solution to offer ? Have they any clearly crystallised constructive policy which will not only redress existing wrongs and pour oil on the troubled waters of Irish misgovernment, but will also conduce to knit the Empire more closely together and give promise of a new era of concord and unity in the place of unrest, disunion and threatened disruption ?

It is futile to imagine that the existing conditions of government in Ireland are satisfactory, or that mere platitudes or trifling with the disease will cure the deeply-seated canker which is the outcome of long years of irritation and neglect and want of knowledge and sympathy. One measure that has produced unquestionable benefit is the Land Act, which will always be associated with the name of the late Mr. George Wyndham and redound to his lasting credit. If the provisions of that Act be pushed forward, and systematic and extended efforts be made to develop the country and ameliorate the distressful conditions of the people, a long step will be taken to remove the cause of trouble. But those who would find a lasting solution should not be led into the error of imagining that a mere course of more parental government on the part of the House of Commons will adequately meet the case.

In his letter to *The Times* Lord Loreburn said :—

At the present moment all are for some change. Some say it should be "local government," others say it should be "devolution" or "federation," others say it should be "home rule." Upon any interpretation of language, the ideas denoted by those words run into one another. Were the cloud of phrases cleared away, we could reach bed-rock and learn what are the real stumbling-blocks.

That is a statement which has not been disputed. Let us, therefore, try to detach ourselves from the circumscribed limitations of the present controversy and endeavour dispassionately to analyse the position from a wider standpoint, so as, if possible, to reach some conclusion acceptable to all parties, whilst conducing to the unity and strength of the Empire as a whole.

In the first place, let us ask ourselves if the existing central machinery of government is completely satisfactory or businesslike. Criticism of the "Mother of Parliaments" may appear to savour of disrespect. But we are citizens of a great Empire threatened with calamity and possible disruption, and we desire to get down to the bed-rock of the whole matter. Even members of Parliament, therefore, should examine their position and actions.

We have recently been told that the House of Lords is unfitted to discharge its proper functions. They themselves accept the position that reorganisation is necessary. But have those who clamour for single-chamber government, or who are so exigent for reform of the House of Lords, ever seriously considered if the House of Commons itself is, in reality, fitted to perform the functions of a truly Imperial Parliament? In what respect does it merit that attribute? True, it is one chamber of the Parliament of Great Britain and Ireland, which constitute the heart and matrix of the Empire. But one of the cardinal doctrines of democracy is that government should be based on due representation. On that basis alone, the existing House of Commons is evidently deficient in one of the main essentials of an Imperial Parliament. For it contains no representative from the great Dominions and Dependencies across the seas which go to make up our Empire. That, in itself, marks one salient defect in the whole central machinery of government in its relation to the Empire; and, if the subject be investigated still further, the inadequacy of the existing expedients for maintaining and conserving our Imperial strength and unity become painfully apparent.

Out of the 670 members of the House of Commons, how many have set eyes on even one Imperial Colony, or have an expert or intimate knowledge of the numerous far-reaching problems which act and re-act on the well-being and very existence of our Empire? Each member is returned to support some

particular "Party" or to further some particular object which his supporters consider important for their own advantage. But these are all matters of local concern and have no relation to the great affairs of Imperial dignity and security. Its very size and composition, the multiplicity of details with which it concerns itself, and the absence, in the case of the majority of its members, of any expert knowledge of Imperial affairs, renders it difficult, if not impossible, for the House of Commons, as at present constituted, to deal adequately with great issues of Imperial polity. Its complete failure to devise a satisfactory solution of the vital problem of Imperial defence is only one instance out of many which might be enlarged upon if space permitted. It certainly has proved its inability to unravel the knot of Irish misgovernment. And it is well known and understood that it can make no pretence of being a truly Imperial Parliament so far as the oversea Dominions are concerned.

These are, no doubt, unpalatable home-truths, which are difficult to refute. But the time appears to be approaching, if indeed it is not already ripe, for the application of such necessary reform as will facilitate the progress of much-needed domestic measures, and also, at the same time, produce a more efficient machinery for the growing needs of the Empire as a whole. The question we should ask ourselves is, whether it be not possible to adjust our system so that a higher ideal and truer form of government—both local and Imperial—may arise out of the ashes of the present controversy. The main essential is that the unity and security of the Empire shall be preserved and that every part and person in the Empire have complete civil and religious liberty. Given that, there can only be advantage in delegating to each section the direction of its own domestic concerns.

"Federation," "Devolution," "Local Government," "Home Rule all round." As Lord Loreburn rightly says, "The ideas denoted by these words run into one another," and the solution of the problem lies in the broad, rational appreciation and interpretation of each and every one of those terms. What the whole country and Empire desires, and believes to be necessary, is a really effective central, Imperial assembly capable of taking a broad Imperial outlook and of directing Imperial affairs for the safety and welfare of the Empire as a whole, with subordinate assemblies dealing with matters of purely local and domestic concern. Let us keep to the essentials and consider if a settlement on such broad lines is not only practicable but eminently desirable.

Matters could not be much worse than they are at present, with outspoken discontent and a grave sense of insecurity manifest in every stratum of society and in every part of the country;

whereas a solution on the lines indicated would, at least, possess the following advantages :

(a) Questions of Imperial policy, on which the security and growth of the Empire depends, would be in the hands of chosen representatives from all parts of the Empire—each voicing its interests and stake in proportion to its degree of importance.

(b) Communities, who presumably know what is best for their own particular needs, would be able to settle such matters, in so far as they concern themselves alone, instead of having to wait for them to be disposed of in their turn, or relegated into the background altogether by an over-burdened House of Commons, whose members each have their own "axe to grind," or because of the exigencies of the particular Party in power.

It may be objected by some that such an idea is outside the range of practical politics, as it would involve a radical change in the Constitution. But could there be any more revolutionary and far-reaching subversal and suspension of the Constitution and constitutional methods than has recently been perpetrated—not for broad, statesman-like objects of national and Imperial importance, but with the object of forcing through certain party measures for purely "Party" purposes? If that be considered permissible, surely it may also be permissible, and indeed desirable, to modify the existing system of government, not merely to suit the ends of some particular Party which may be in power for the time being, but for reasons of vital regeneration. The Constitution has been cast into the melting-pot. The House of Lords will emerge transformed. But the House of Commons, also, needs equal transformation, if the country is to obtain a solution of its difficulties, immediate and prospective, as well as a businesslike administrative machinery for the growing needs of the Empire.

The question of Imperial Federation is one which increasingly exercises the minds of all serious men, both at home and overseas. As our children are growing and as the responsibilities of our world-wide Empire are increasing, so it is becoming more and more apparent that, if the great heritage which has been committed to our trust is to be preserved and handed down to our posterity unharmed, and is to mark still greater triumphs of civilisation and the progress of a great family of nations towards that ultimate goal of world-wide peace which all desire, some means must be found to bring the best intellects of the Empire into intimate conclave and council. Equally essential is it that the strength of the Empire be organised for concerted action to preserve the whole and each of its parts inviolate from aggression.

It is the old story of "The bundle of sticks." United we stand, divided we fall.

The gradual recognition of this fundamental axiom is being more clearly displayed in numerous directions. The most notable advance is to be found in the periodical assembly of the Imperial Conference, which, however, is but the germ of the greater, permanent, representative body which is felt to be needed. In matters of defence we have witnessed the spontaneous contributions so munificently made by our great oversea Dominions to assist the Motherland in its ever-increasing burden of naval expenditure. We have seen the first serious attempts to co-ordinate our military arrangements, and the initiation of a so-called Imperial General Staff. And much discussion has arisen over the vexed question of Tariff Reform, which originated from a laudable desire to strengthen the Union of the Empire by the economic federation of its parts.

Now, Tariff Reform is a subject of immense complexity, directly or indirectly affecting the pockets of everyone throughout the Empire in some form or another. But, like most other questions, it has been discussed as if it were almost entirely a matter of Party consideration, instead of being one of Imperial importance. In the heat of controversy, it seems to have been overlooked that, before introducing momentous changes vitally affecting the stability of the Empire, it is obviously desirable that some adequate machinery should first be created capable of voicing the views and interests of the various communities concerned. The self-governing communities are naturally chary of entering whole-heartedly into measures introduced by an assembly in which they are not represented, if, indeed, they are not rightly suspicious when they observe how the greatest problems of Imperial significance are made the catspaw of parties in England for political ends.

So it is in all Imperial concerns, whether economic or relating to questions of security and defence. The same defect and the same deficiency—the absence of a truly Imperial Parliament composed of representatives from all parts of the Empire—acts and re-acts to our detriment and militates against the cohesion and vitality and security of the Empire.

We certainly have been slowly advancing towards the desired goal, and have progressed more steadily towards it since the South African War, when the whole of Greater Britain rallied to the flag and emphatically evinced the potential strength that lies dormant and holds such bright promise for the future of our race if properly conserved and nurtured. But, whilst the Irish question is undoubtedly a grave domestic trouble calling for immediate treatment, it is only a part of a larger problem which

is coming more to the front as each year passes, and which must be faced before long if we are to maintain our position amongst the nations, and ensure that the British Empire shall be preserved inviolate and progress from strength to strength. Indeed, if the present difficulties are dealt with in a broad and truly Imperial spirit, from them may spring, not only a solution of our immediate troubles, but the consolidation of our Empire on a far broader and firmer basis.

The first step would be, instead of confining the issue to the narrow limits of Ireland alone, to widen the project and delegate to each part of the British Isles the control of its own domestic affairs—that is, to let them each have their own local assembly to deal with everything that concerns themselves alone—and to create a separate and truly Imperial Parliament of two chambers, each comprised, in the first instance, of representatives from each part of the United Kingdom, proportionate to its population, for the disposal of Imperial concerns and such as may affect more than one part of the realm. Here, at the very outset, we find ourselves again confronted with the Irish problem and the conflicting views of Ulster and the rest of Ireland. But, as the present controversy on Home Rule has proceeded, it has become increasingly apparent that if we are to avert a fratricidal conflict which would plunge the whole Kingdom into deplorable discord for generations at least, some workable compromise must be found. This is manifest, in whatever way the difficulties are to be surmounted, and applies equally to treatment of the case, whether as a matter of purely local concern, or as forming a part of a wider scheme of devolution and federation.

An “United Ireland” is an excellent principle, which may ultimately become an accomplished fact if temperate councils prevail on all sides. Geographically, and at first sight, it no doubt appears preferable that Ireland should be treated as a whole for the purpose of local self-government. But, unfortunately, besides the geographical point of view, racial, ethnological, economic, religious and sectarian standpoints exist, which are of equal, if not greater importance, and must be taken into consideration. From all these standpoints, as well as from the geographical one, there can be no more objection to according separate local self-government to Ulster in the island of Ireland than there would be to the devolution of similar powers to Scotland or Wales in the island of Great Britain. Moreover, the insistence on the principle of an “United Ireland” is of comparatively recent growth, and it is not difficult to show from historical evidence that there never has been such a thing except in imagination, and that the country was never more divided than when it was under its own Kings.

We have to deal with facts and make the best of the position

as we find it. And the fact remains that there are two distinct classes of population in Ireland, widely differing in racial temperament and religious convictions. Every argument that can be adduced in support of giving self-government to the Nationalists because they confessedly detest English rule is equally strongly opposed to forcing the Unionists out of the Union against their will and compelling them to dwell under a form of government to which they express equal abhorrence. And every argument in favour of according special treatment to Ireland in its relation to the United Kingdom applies with precisely the same force to the grant of similar and equal treatment to Ulster in its relation to Ireland.

By all means let the Nationalists control their own domestic affairs. But it is obviously impracticable to force any form of local government on the whole of Ireland which will satisfy both classes in the country and which will not result in civil conflict. Nor is any practical advantage to be derived from a process of "splitting hairs" in further controversy as to whether Ulster itself should be divided. Just as in the South and West of Ireland there is a large population of Unionists and Protestants who would come under a local assembly in Dublin, so there should be no reasonable objection to the Nationalists and Roman Catholics in Ulster, who form the minority in that province, coming under a local assembly in Belfast; and, as the subject is being more ventilated and better understood, public opinion is becoming confirmed in the conclusion that according separate treatment to Ulster offers the best means of solution.

Therefore, in a wider scheme of devolution and federation such as is here suggested, the United Kingdom might be sub-divided, for the purpose of self-government, into five parts—England, Scotland, Erin,* Ulster and Wales—the Isle of Man being administered in accordance with its own laws, and the Channel Islands each having their own laws and customs as at present. Over all there would be a distinct Federal and Imperial Parliament of two Chambers, to which each part of the British Isles would send their separate representatives for the disposal of Imperial questions as opposed to those of purely local concern.

In the Imperial Parliament would be vested control over questions of peace and war, defence, foreign relations and treaties, matters affecting the Constitution, naval and military measures, armed police, finance, commerce, shipping, postal and telegraph

* It is recognised that, just as has occurred in India and South Africa and other parts of the Empire, when a change in the form of government has been necessitated, some appropriate designation is required to define a new province. In all such matters sentiment plays a large part, and in this case it might not be inappropriate to employ the name "Erin" to denote the province (*i.e.* Leinster, Munster and Connaught) which would embrace the bulk of the Celtic population in Ireland.

services, railways, lighthouses, marriage and divorce, emigration and immigration, currency, weights and measures, customs and fiscal regulations, and all subjects which may concern the unity and security of the Empire or affect more than one of its parts. The local assemblies would deal entirely with questions of local government, such as education, county and municipal regulations, rates, charities, licensing, roads and buildings, the control of manufacturing, trading, transportation, and other corporations, and generally conduct their own local and domestic concerns.

The existing franchise might be adhered to, at the outset, in the case of the local assemblies, each thus consisting of the same number of members as are now returned to Westminster. The two Imperial chambers would not necessarily be of the same size, and it might be desirable to have different methods of representation in each. For instance, one might consist of a fixed number of members from each part of the kingdom, chosen by the local assemblies; the other being composed of representatives elected by the people of each part in proportion to its population, and on a separate register. Or, if considered preferable, one might be the "regenerated" House of Lords; the other an equally regenerated House of Commons, on a revised electoral basis, and on truer Imperial lines, which is of equal importance. But, in any case, the representation would be proportionate to the population in each part of the realm, and as it would vary from time to time, a decennial period for the revision of the numbers might be found convenient to suit census arrangements.

At present, the representation *per centum* would be as follows:—

Parts.				Population according to the Census of 1911.	Proportionate representation per 100 members.
England	.	.	.	34,043,076	75·3
Scotland	.	.	.	4,759,445	10·5
Erin	.	.	.	2,808,523	6·2
Ulster	.	.	.	1,581,696	3·5
Wales	.	.	.	2,032,193	4·5

These, and numerous other matters of detail, would of course need careful elaboration. But they are susceptible of adjustment, if a serious attempt be made to arrive at a solution of our difficulties on comprehensive lines. The financial arrangements between England and Ireland would be similar, in principle and effect, whether they related to the narrow limits of "Home Rule for Ireland" alone, or to a wider and complete scheme for the federation of the whole realm.

It is not possible within the limits of this article to do more than indicate very briefly the general lines on which such a scheme might possibly take shape. Nor is it, in the remotest degree, presumed that, on exhaustive examination of details, some more appropriate form of solution on similar broad lines may not be devised. It is for the experts and leaders of public opinion to evolve the crystallised and working solution. "There are many roads to Rome"; and it not infrequently happens that a particular one that may be selected from a circumscribed point of view, or because someone may be urging us against our better judgment, may not prove to be the shortest or best.

If, instead of confining the consideration to the narrow limits of Irish affairs and party procedure, the best intellects in the country could be induced to meet to consider the whole matter from a broad, Imperial standpoint, then it is not impossible that the present fog might be dissipated and each and all might find that, in striving to attain the best good for the whole community of nations committed to their trust, they would also have secured the best interests of each and all of the different parts. A conference on these lines would have a dignity of purpose and far-reaching effect such as could not be approached by any meetings of party leaders to adjust their differences in regard to the present restricted controversy. The country is approaching a great crisis, which permits of no trifling, but demands comprehensive treatment worthy of Empire. Besides the Irish impasse, there are numerous other problems of wide significance affecting the interests and well-being of the people. These cannot be ignored or postponed indefinitely, but they cannot be suitably dealt with so long as over-centralisation by an overburdened House of Commons continues, and unless, and until, there is appropriate devolution of authority on federal lines.

It is no new idea, but is the ideal which all thoughtful men throughout the Empire are striving to attain—a true Federation of Empire, in which, whilst each part controls its own local affairs, the whole will be welded together in increasing unity, trust, sympathy and understanding. It will never be achieved if the existing methods of drifting and adapting our course to the passing winds of "Party" and snatching votes for personal aggrandisement continues to hold sway. But if, instead of a patchwork scheme, we put our house in order on the broad and solid basis of the confederation of the whole realm, then there will be common ground on which all parties and sects may well unite. If, as we see our domestic difficulties increasing and our world-wide responsibilities becoming more complex and onerous, we determine to be true Empire-men and take the broad Imperial view, then we shall be able to look into the future with

confidence. Then we shall have a form of government in which, whilst each part is enabled to settle its own concerns in accordance with the consensus of its public opinion, in course of time, as confidence increases, the Daughter Nations may be drawn into closer sympathy and union, each sending their representatives in proportion to their strength and population to add their advice and counsel to our deliberations.

Then shall we attain our ideal, and only then shall we reach the culmination of Imperial strength and dignity. To those who stretch out their hands and combine to take the broad Empire view, great and lasting honour will be theirs; those who hold back and take the narrow view, whatever their motive may be, will assuredly reap their full measure of discredit in the pages of history yet to be written.

AN IRISHMAN.

TRADE OF CANADA

THE Reports from the Imperial Trade Correspondents in various parts of the Dominion show steady progress; those from the Maritime Provinces mention conditions in a spirit of buoyancy indicating a marked change in that territory, which has often been referred to as the "backwaters" of the Dominion. Reports from the west draw attention to decreased financial facilities and to the stringency of the money market. With a view to the development of the ports of Halifax and St. John, the Dominion Government have entered into contracts to improve docking facilities, and work has been commenced which, in the next few years, will involve an outlay of several millions sterling. In addition to this, the Intercolonial Railway, the Canadian Pacific Railway, the Grand Trunk Railway, and the Canadian Northern Railway, are all improving their terminals to provide facilities for handling the increased traffic which must come to these ports as a result of the improvements to be effected. At the end of March, 1913, the Canadian Pacific Railway opened its new railway shops near Calgary, which occupy 120 acres, and which, it is claimed, are equipped with the most modern machinery and appliances; the locomotive works alone occupy a space of eight acres; the power plant includes six Babcock and Wilcox boilers, capable of developing 2,100 h.p.

PROPORTIONAL REPRESENTATION IN TASMANIA

BY F. A. W. GISBORNE

THE question as to the expediency or otherwise of substituting a system of proportional representation for that at present in use in the United Kingdom and many other countries seems to be exciting an unusual amount of interest just now, both among practical politicians and students of electoral methods. To these, as well as to ordinary readers, therefore, a short description of the voting system prevailing in the State of Tasmania may be instructive.

The system referred to is unique, inasmuch as, while in principle based on that associated with the name of the late Mr. Hare, its author, certain modifications were introduced at the suggestion of a prominent local politician, the then Attorney-General, Mr. Clark, when the experiment of giving representation to minorities was first tried in the smallest State of the Australian Commonwealth. The Hare-Clark system, as it is now called, applies only to the election of members of the Tasmanian House of Assembly, those of the Council still being chosen in the ordinary way by a majority vote, with a limited franchise and single member constituencies. The system has now been in force for over five years, being legalised by the State Electoral Act of 1907, and three General Elections have since occurred. The last, which was held at the beginning of this year, afforded me a special opportunity for studying both the machinery and the practical operation of the new method of election. Thanks to the kindness of the chief returning officer for the most important division in the State, that which includes the capital and the populous districts adjacent, I was furnished with the most complete facilities for pursuing his investigations, the results of which I propose now to summarise, adding a few general observations concerning, respectively, what appear to me to be the defects and the merits of the new system.

It should be premised that the State of Tasmania, including its

island dependencies, is divided into five electoral districts, each returning six members to the Legislative Assembly. In size these divisions vary greatly, the two largest, Franklin and Darwin, embracing between them about three-fourths of the whole island; while the smallest, that of Denison, comprehends only the capital and its immediate environment. The prime object aimed at by those responsible for the delimitation of the divisional boundaries was, of course, numerical equality of population. This object has been fairly attained, each division containing, roughly, about 20,000 voters. The difference in regard to number of inhabitants between the most and the least populous of the entire number is comparatively trifling. But unfortunately it proved impossible to combine equality of number with identity of interests. The largest division, for instance, so far as the chief occupations of its inhabitants are concerned, is of a highly composite nature. Fruit-growers, ordinary farmers, miners, pastoralists, timber-workers, tradesmen, etc., are all jumbled together; but broadly speaking the agricultural element greatly predominates, and those engaged in at least three important industries outside agriculture enjoy no representation there whatever. In another, numerical preponderance has hitherto enabled the mining vote to swamp the agricultural; though with the progress of settlement in the fertile north-western portions of the division political supremacy will probably ere long pass to the farming population. In the constituencies containing the two largest cities in the State trade-unionism exercises a predominating and not very wholesome influence, seconded as it usually is by the support of the great mass of unorganised labour. Agriculturists and others here enjoy practically no representation, though certainly they obtain some compensation in other quarters. Widely dispersed industries, however, such as those connected with the production of wool and timber, are absolutely unrepresented in the Lower Chamber of the Legislature, and the division of the whole country into a few large constituencies operates in every way to their disadvantage.

Another matter may be mentioned. From the candidate's point of view there is a distinct unfairness attached to the existence of territorial disparities such as have just been described. In one division, for instance, an active pedestrian could cover all the ground required in the course of a strenuous election campaign on foot; and, after paying for the hire of public halls and for advertisements, etc., would have very few charges to meet. In another he would have to spend months roving about in all kinds of vehicles over most execrable roads and bush tracts, and also undergo several rather trying sea voyages in order to canvass his constituency thoroughly. Yet by Section 137 of the Electoral Act,

no person is allowed to spend more than £100 in prosecuting his candidature under penalty of disqualification, if successful. Such a limitation of expenditure is both unjust and absurd when applied to all cases, and it is necessarily in actual practice frequently evaded.

Some of the defects just emphasised are, of course, easily remediable. The inordinate extent of the larger electoral divisions will in all probability soon be reduced, so that in place of five divisions each returning six members, there will be, say, ten divisions each returning three members. By careful arrangement one of these divisions could be delimited in such a way that the important pastoral industry should at least enjoy some representation in the lower Chamber. At present the "wool king," as the common jargon goes, who breeds the best sheep in the world and exports thousands of bales of choice wool, is a less important political factor in Tasmania than the wharf labourer. Productive capacity, reason would suggest, might with advantage be taken as the criterion of political representation, rather than mere populousness. That a single slum street should be allowed, as now, to outvote a flourishing farming district is a plain and mischievous absurdity. The ideal system of proportional representation, many fairly rational observers still hold, would allot voting power in proportion to mental and moral endowments, affording at the same time a reasonable degree of protection to property. But unfortunately the attainment, even in a partial degree, of such an ideal would require a revolution of popular sentiment which, in Australia at least, seems far distant.

The methods of voting and of counting and apportioning votes under the Hare-Clark system must now be explained. These are prescribed in Section 119 of the Electoral Act and in the Fourth Schedule appended to it. So far as the elector is concerned, the operation is simple. After satisfying the presiding officer that he is duly qualified to vote, he is handed a ballot-paper on which is printed in large letters, and in alphabetical order, a list of the names of the different candidates. Each name has a square before it, within which, in order of preference, the figures 1, 2, 3, and so on, have to be placed. Where there are more than two candidates the law requires that not less than three shall be numbered, otherwise the paper is set aside as invalid. The voter is at liberty, however, to number all the names in order of choice if he pleases; though naturally he prefers to leave the squares opposite the names of those candidates whose views he dislikes blank. When only two contingent votes are recorded, seeing that usually not less than six candidates are chosen by each party for the six seats assigned to a division according to the present arrangement, there is a possibility that not one may prove

effective, or the whole three may be reduced to a fraction so minute as to be valueless. Party managers strongly urge, therefore, the need of voting the full party "ticket."

It will be seen from the above description that the Tasmanian voter's intelligence is not severely strained by the fulfilment of what convention prescribes as his duty as a member of a self-governing community. To write the numerals 1, 2, 3, etc., before the names of candidates is no difficult matter for any person possessed of eyesight; and special provision is made to afford assistance to the blind or the illiterate.* But the functions of the electoral officers are far more complex, and to these a little more attention must be given. Only a mere outline, however, can be attempted; for a detailed description of all the mathematical processes required to sift the political wheat from the chaff in the course of an actual election, to the ordinary reader, would mean only bewilderment and fatigue. It may just be mentioned that, in practice, the system is simpler than it would seem to be in theory; and after a brief experience electoral officers and members of their large staffs find the lengthy calculations involved in the counting and distribution of votes no very arduous matter.

The first operation is that of counting all the number one votes, cardboard trays bearing the names of the respective candidates being used for the purpose. Each paper with the name "Smith" marked first is placed in Smith's tray; each according preference to "Brown" into Brown's tray, and so on. At the same time all informal ballot-papers are eliminated. When the papers have been fully sorted, the number of first choices recorded for each candidate is counted, and the quota ascertained. To do this the Act directs that "the aggregate number of such first choices shall be divided by one more than the number of candidates required to be elected, and the quotient increased by one, disregarding any remainder, shall be the quota, and no candidate shall be elected until he obtains a number of votes equal to or greater than the quota." A later clause makes an exception in the case of a candidate who may come sixth after the last count, and yet, by reason of the exhaustion of a certain number of contingent votes during the previous counts, fail to reach the quota. To such a candidate the sixth seat is assigned.

After the first count those candidates who have received a number of primary votes equal to, or greater than, the quota are declared elected. Should the quota be exactly reached, and there be no surplus—a very rare occurrence—all the ballot-papers on

* In actual voting, however, the State Asylum for the Blind in Tasmania altogether preponderates over the University and the higher judiciary combined. The fact is somewhat suggestive, and helps to explain certain recent political developments.

which the name of the candidate so elected is accorded first preference, are set aside as finally dealt with. Almost always, however, the candidates elected on the first count, and on those that follow, have surplus votes to be distributed among their less fortunate rivals. The Act thus directs their apportionment :—

1. All the voting papers on which a first choice is recorded for the elected candidate shall be re-examined and the number of second choices or (should the second choices in some cases be candidates who have already been elected or excluded) third or next consecutive choices recorded for each unelected candidate thereon shall be counted.

2. The surplus of the elected candidate shall be divided by the total number of votes obtained by him on the counting of the first choices, and the resulting fraction shall be the transfer value.

3. The number of second or other choices ascertained in paragraph one to be recorded for each unelected candidate shall be multiplied by the transfer value.

4. The resulting number, disregarding any fractional remainder, shall be credited to each unelected candidate and added to the number of votes obtained by him on the counting of the first choices. (Schedule 4—Section 5.)

Succeeding clauses provide that the largest surplus shall always be dealt with first, and that any candidate who, with the aid of the surplus votes of one or more of those already elected shall obtain the quota, shall be declared elected, and his surplus, if any, shall be transferred to next choices in a similar manner. Should, after a recount and distribution of contingent votes, no candidate reach the quota, the one lowest on the list is excluded, and his number one votes are distributed among those of the unelected candidates who are marked second to him, each vote retaining its full value. In this way, by repeated re-distributions of surplus votes and the exclusion and “cutting-up” of candidates who come last at different stages of the count, there are finally left only a number sufficient to fill the vacancies. A certain small leakage of votes attends the successive operations owing to the disregard of fractions; but this is of no material consequence. Where it becomes necessary to exclude a candidate, and two are found to have the same number of votes, and to stand lowest on the poll, the candidate who stood last at the previous count, or transfer, is discarded. Finally it is provided that “where on any transfer it is found that on any voting paper there is no candidate opposite whose name a number is placed other than those who have been already either declared elected or excluded, such voting-paper shall be set aside as exhausted.” It is apparent that electors who only number the three names necessary to validate their papers are much more likely to suffer through this provision than those who mark as many names as there are vacancies to fill. At the last two general elections in Tasmania the votes lost through short voting were officially

stated to be 719 and 160 respectively, or about 1 and .4 per cent. of the total number possible in each case. Cross-voting naturally operates to the disadvantage of both parties, but, unfortunately, from a public point of view, party discipline is too strong to permit of much exercise of the right of independent choice.

Perhaps a partial illustration taken from the actual results in the Denison division at the last general election held in Tasmania may help to elucidate the description just given, and afford a key to a comprehension of the practical working of the system. Names will, of course, be suppressed, but the actual figures given. The total number of ballot papers after the first count at the election specified was found to be 15,340. Of these 491 were rejected as informal, the valid papers thus being 14,849. The quota, therefore, was $14,849 \div 7 + 1$, or 2,122. The first count resulted in the election of only one candidate, whom we shall call A, out of the fourteen who presented themselves for election. The first choices recorded in A's favour numbered 2,292, or 170 in excess of the quota. The transfer value of the surplus in this case was represented by the fraction $\frac{170}{2292}$. Another candidate, B, who was marked second on 1,540 of the papers on which A's name received first preference obtained $1,540 \times \frac{170}{2292}$ or 114 votes out of A's surplus, which, added to the 1,902 first choices already recorded for him, brought his total up to 2,019. This number, with the addition of sundry contributions received from two excluded candidates, entitled B to election after the fifth count. A surplus of 122 votes then standing to his credit was distributed in a similar way among the next choices marked on the 1,902 papers on which his name came first, of course ignoring A, who had already been elected. At the other extreme X on the first count received only 202 primary votes. He was excluded on the third count, as the second, required in order to dispose of A's surplus, failed to give any candidate the quota. On X's papers it was found that the name of one candidate was marked 46 times, so 46 votes were transferred to him; another got 40, and so on. These votes retained their full value. In spite of such augmentations, however, no candidate was yet elected (except A who went out on the first count), so another victim, the candidate standing last after X's exclusion and dismemberment, had to be sacrificed: and his 369 number one votes, supplemented by 22 more, his share of A's surplus and X's remains, went to increase the totals of the surviving candidates in accordance with the wishes of the electors expressed on the ballot papers. The result was, as before stated, B's election. Then followed the distribution of B's surplus among the remaining candidates, the allotment of the contingent votes below number two, and the discarding

successively of the least favoured candidates until at last, after repeated counts, the six preferred by the majority of the electors had been laboriously ascertained. The whole operation necessitated 56 counts, and kept a staff of some 30 officials employed about nine hours. At the previous election in the same division no less than 133 counts had to be undertaken, and over fourteen hours were occupied in the process.*

In the end it was found that of the six seats the Liberal Party had secured three and the Labour Party the rest. For the candidates representing the former 7,717 first choices were recorded, those of the latter securing 7,132. On a numerical basis this result must be considered as fair as circumstances permitted, though perhaps it might have been obtained without resort to such elaborate mechanism.

To the average elector, it must be confessed, voting under the Hare-Clark system means taking a leap in the dark. He discharges his vote into a whole covey of politicians hoping to bag at least one, but he cannot feel any degree of certainty as to whether the bird brought down will be quite to his liking or not. This sporting element in the system certainly appeals to a pronounced Australian taste, but to the sober judgment it is a doubtful recommendation.

Assuming numerical equality among the various constituencies it may justly be claimed for the Hare-Clark method of deciding elections that it satisfactorily complies with the requirements of those democratic reformers who demand equality of value for all votes cast at an election. A candid philosopher, perhaps, would not count this distinguishing feature of the system altogether for a virtue. He fails to recognise either the justice or wisdom of according equal political rights to tramp and landowner, ex-convict and judge, casual labourer and successful man of business, professor of jurisprudence and professor of unclean language. And he would adduce in support of his objections the distinct and progressive deterioration of legislative capacity and political manners and morals that has accompanied the degradation of the franchise in the various Australian States in the course of the last half century. But setting aside vital, though, unhappily, unpopular considerations of this kind, and accepting, under protest, the now fashionable assumption of popular infallibility, the Hare-Clark system may fairly be said to ensure fair representation both to majorities and minorities, provided, of course, there be a suitable arrangement of constituencies. It absolutely forbids the occurrence of such farcical results as, under the egregious block

* The entire cost of a General Election in Tasmania under the new arrangement is approximately £4,000. The population of the island now consists of about 190,000 persons, almost 100,000 being entitled to vote.

vote system, attended the election held in 1910 for the Federal Senate, when 2,021,090 Labour votes returned eighteen senators, while 1,997,029 Liberal votes did not return a single one. At the same election in the case of the House of Representatives, 1,689,104 Liberal votes gained only 33 seats, while 1,686,842 Labour votes secured 42! * This triumph of the fine art, unjustly associated with the name of a former Governor of Massachusetts, can, perhaps only find parallels within recent times in Ireland and the Transvaal under the respective *régimes* of the late Mr. Gladstone and President Kruger. Taking as an illustration the figures for the last General Election in the United Kingdom we find that the Unionists then polled altogether 3,151,317 votes, while the Liberals, Irish Nationalists of both sections and Labour supporters combined polled 3,690,145. Yet the former gained only 273 seats, and the coalition opposed to them no less than 397. With fairly arranged constituencies under the Hare-Clark system the Unionists would have received 308 seats and their opponents of all sections only the remaining 362, a very appreciable difference.

So much for the advantages of the system. Briefly, when correctly applied, it secures fair representation. On the other hand, it is open to serious objections. If introduced into a populous country like Great Britain the system would prove cumbrous and extremely expensive. Unscrupulous party tacticians, too, could entirely negative its virtues by the manipulation of electoral boundaries. It would not be difficult, say, in Ireland to arrange the electoral divisions in such a way that the minority would in a large degree be deprived of the scanty representation in the Imperial Parliament it now enjoys. A district containing ten thousand Nationalists might have assigned to it as many seats as the whole city of Belfast. In Great Britain "gallant"—and extremely Radical—"little Wales" might be privileged to return four times as many representatives as the whole city of London—an arrangement that would hardly be viewed with disapproval by the present Chancellor of the Exchequer. The demands of the familiar maxim "one vote one value," therefore, cannot be satisfied under the Hare-Clark system unless numerical equality among the inhabitants of the various electoral areas be secured. How can this be guaranteed?

Two great benefits, it was confidently predicted by the advocates of the method of proportional representation now under review, would follow its inauguration. Firstly, it was declared that party government would disappear; secondly, that the substitution of large for small electoral divisions would exclude from the field of politics men of small ability and indifferent reputation.

* The last similar election has resulted in very much the same manner. It was a veritable wire-puller's triumph.

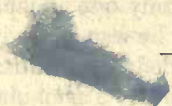
Both prophecies, so far at least, have been entirely falsified. The average democratic elector remains to-day what his ancestor was in the days of Pope: "First slave to words, then vassal to a name, Then dupe to party; child and man the same." He obediently votes the party "ticket," and if six walking-sticks were recommended for election by the managers of one particular party now too prominent in the Antipodes they would duly receive their meed of votes. Ability in these days of machine politics counts for far less than docility. The favoured candidate must not think for himself; he must unreservedly subscribe to the party platform, and vote to order. Originality and strength of character are qualities which the political wire-puller loathes, and against their exercise all his malign arts are employed. In the course of three general elections held in Tasmania since the introduction of the Hare-Clark system only one independent candidate succeeded in securing a seat, and he was ejected at the last.

In regard to intellectual ability, knowledge, patriotism and sense of public honour, the present members of the Tasmanian House of Assembly, as a whole (there are, of course, striking individual exceptions), stand distinctly on a lower plane than that occupied by their predecessors twenty years ago; and the State Council can claim a much higher degree of legislative merit, chosen as its members are by electors who represent the cultured intelligence and practical ability of the community. One final point may be glanced at. It is claimed for all systems of proportional representation that, by equalising vote values they reduce parliamentary majorities and so exercise a moderating influence on legislation. This may be conceded with certain reservations; but after all is there any substantial gain? Recent experience, apart from well-known historical examples, has conclusively shown that a small, but compact and pledge-bound majority in a legislature may be an even more powerful instrument for good or evil than a large one. The late Sir William Harcourt once aptly remarked that giants were inclined to be weak in their legs and heads; and large majorities often prove unstable, top-heavy and unmanageable. Paradoxical as the assertion may seem, therefore, it not infrequently happens that strength to a large majority means only comparative impotence. Representation to minorities under a system of rigorous party discipline is, after all, but a questionable boon, and one of a kind to which theoretical students of electoral methods are inclined to attach an excessive degree of importance.

To sum up the whole matter, it would seem that the experiment now in progress in Tasmania has so far yielded only negative results. The boasted panacea for the evils attendant on most systems of popular election still fails to justify itself. It has not destroyed the dominion of party. The serpent remains not only

unkilled but unscotched. It has not opened the doors of public life to original, conscientious and independent ability. Rather it has tended to limit admittance only to submissive mediocrity and unscrupulous opportunism. It has confirmed the sway of the intriguer and the talker, and discouraged the appearance of real, but modest, merit in the arena of politics. A few additional cogs and wheels have been added to the machine, but the motive power and the methods of working remain the same. To rationalise and purify democratic methods of government far more fundamental changes will have to be introduced than one which, in defiance of nature, reason and universal human experience, places all degrees of intellectual and moral endowment on one dead level, and refuses to give natural superiority its natural ascendancy.

F. A. W. GISBORNE.



QUEBEC'S NEW INDUSTRY.

As the result of investigations recently carried out in the laboratory of one of the agricultural colleges of the province of Quebec, a leading agricultural authority has come to the conclusion that the making of clotted cream practically identical with the far-famed product of Devonshire is perfectly feasible in Eastern Canada. Dairying is already a flourishing industry in Quebec, and the making of clotted cream will open up new possibilities of development. Many farmers in the country districts own large herds of Jersey cattle, and are, therefore, in a very favourable position for taking up this new industry, for, while it is not at all essential that Channel Island breeds shall be used, a rich milk is, of course, preferable. In the large cities and popular summer resorts of Quebec the farmers have a certain market close at hand. The apparatus required is not expensive, and in some of the large urban dairies the availability of steam will materially lessen the work entailed and the cost of production. The fact that the making of such a delicacy as clotted cream should be receiving serious consideration among Quebec farmers is a significant sign of the trend of the times in this progressive province of Canada.

GOVERNMENT NEGLECT OF BRITISH INTERESTS IN CHINA

NEED OF MORE MEN-OF-WAR ON THE CHINA SQUADRON

By ERIC S. ELLISTON

A QUESTION recently asked in Parliament by Mr. Gershom Stewart, an inquiry from the Manchester Chamber of Commerce, and facts which emphasised themselves all too painfully during the recent rebellion have brought to the attention of every British resident in China, and of everyone at home, who has either financial or emotional interests in this vast territory, a state of affairs calling for the immediate attention of His Majesty's Government—to wit, the urgent necessity of more ships for the China Squadron.

The China Squadron is charged with the protection of British residents and British interests, and with the general upholding of the honour of the British flag, not merely in China itself, but over a vast area outside China, roughly speaking, from the Philippine Islands in the south to Vladivostock in the north, including the whole of the Japan seas. To apprehend more fully what this involves it should be remembered that the coast-line of China, say from Pakhoi in Southern Kwangtung, to the mouth of the Yalu River between Manchuria and Korea, is roughly 3,000 miles, with Shanghai very nearly at the half-way mark. In addition to this enormous distance of actual coast, there are two big rivers, the West River and the Yangtse to be patrolled with river gun-boats. Of these, the West River from its mouth to Wuchow has a length of about 400 miles, while the Yangtse from its mouth to Chungking is about 1,200 miles, with Hankow located about midway.

The Squadron charged with the protection of British lives, property, and shipping within this area is under the command of Admiral Jerram, who is expected to accomplish what might at any time easily become the impossible, with the following force :
(a) Three armoured cruisers of fair size, the *Hampshire*, the *Monmouth*, and the *Defence*, with the armoured cruiser *Minotaur*

as flagship; (b) Two smaller cruisers, the *Newcastle* and the *Flora*, of about 4,000 tons each; (c) A destroyer flotilla consisting of the *Fame*, *Otter*, *Viago*, *Whiting*, *Welland*, *Usk* and *Ribble*, the first four of which are only small vessels well under the 400 ton mark; (d) Two sloops, *Cadmus* and *Clio*, sister ships of 1,070 tons each; (e) Thirteen river gunboats, a motley fleet whose units range in size from four of 85 tons each, to the respectable 710 tons of the *Bramble*, the *Britomart*, and the *Teal*; (f) The list is completed by the newly arrived despatch vessel, the *Alacrity* of 1,700 tons, which can scarcely be reckoned as a fighting unit.

Of the thirteen gunboats, the *Moorhen*, *Robin*, *Sandpiper*, and *Teal* usually do duty on the West River with their base at Hong-Kong. The district of the West River delta and Canton is a notorious one for pirates, and the number of outrages continually reported indicate, only too clearly, how insufficient is the little force for its purpose, and how urgently it requires strengthening. The remainder of the gunboats patrol the Yangtse, the list being the *Bramble*, *Britomart*, *Kinsha*, *Widgeon*, *Nightingale*, *Snipe*, *Thistle*, *Woodcock*, and *Woodlark*, together with the two sloops *Cadmus* and *Clio*. These have to do police duty for the immense interests vested in the whole Yangtse Valley from Shanghai to Chunking, including the treaty ports of Chinkiang, Nanking, Wuhu, Kiukiang, Hankow, and Ichang, besides places just off the Yangtse itself, such as Changsha. Thus to the six cruisers and seven destroyers, with bases at Hong-Kong and Wei-hai-wei, is left the whole protection of the 3,000 mile China coast-line with all the outlying seas and islands.

A great deal might be written in comparison of the fleet provided for British protection in China with that provided by other countries for the protection of their own people. And under very many headings the comparisons would not be in favour of Britain. Still more might be written on the quality of the ships sent here. For example, the *Flora*. For example, the *Fame*. These, with several of the older gunboats, simply cannot be counted upon as of any real fighting value. For instance, the four gunboats of 85 tons each, would scarcely be of more value than 20-foot motor-boats if it were a case of serious fighting. Their only strength lies in the fact that they fly the White Ensign, any insult or damage to which would be taken as an affront to the British nation.

Mercifully, this sense of British prestige is very real, as was brought home to us during the hostilities of the recent rebellion. The British Steamer *Kutwo*, of nearly 2,000 tons, plying between Shanghai and Hankow, was fired on by the rebels while passing Chinkiang, and had to turn back for fear of serious damage. On its way, it fell in with the H.M.S. *Woodlark*, of 85 tons, which

promptly escorted the *Kutwo* safely past the danger zone. Eighty-five tons escorting 2,000 tons! But if once that prestige failed. What then?

In times even of merely native unrest such as the present, when no animosity at all is shown towards foreigners, this fleet is altogether inadequate to its duties. How infinitely, unspeakably worse would it be if risings were against foreigners? In that event, which is by no means an impossibility, the foreign communities at such isolated centres as Chunking and Ichang would stand a very small chance indeed of rescue. Even at Shanghai only the other day when the bombardment of the Kiangnan Arsenal was taking place, when shells were falling in the International Settlements, and there was the gravest danger for a time that they might become seriously involved, the little handful of Municipal Volunteers were on duty for a 31-hour stretch before sufficient Naval support could reach us to provide any security. Indication enough of what might happen to the smaller and less quickly reached centres of British population here! These times of unrest and rebellion are morally certain to recur, possibly many times, during the next few years, and every British resident knows it. Each as it comes involves great danger and anxiety for foreign life and property all over the country. Shanghai alone would need at least two cruisers and two destroyers as a bare margin!

When the revolt broke out as near as Nanking, and trouble was hourly expected at Kiangnan Arsenal, the only British man-of-war here was the *Newcastle*, who, with her crew of 370 men, is surely no force for the protection of the lives and property of 5,000 odd British subjects carrying outwards British commerce and opening up China's immense resources to British finance and industry! How much worse would it be were we taken wholly by surprise, as would probably happen if the rising were against ourselves, instead of merely between the native parties! It is a pressing urgent necessity that a cruiser should always be at the British Naval Buoy, opposite the Bund, whereas at present we often have to be content for months at a time, especially during the summer, with a boat of the *Cadmus* sloop type, with a crew of barely 100 men! "What are these among so many?" we may well ask of the Admiralty.

There is a most insistent need for more cruisers, especially for cruisers of the *Newcastle* size and type—scout cruisers which can proceed up river as far as Hankow. With the arrival of the ex-Chilian battleship *Triumph*, which is to be kept in commission in reserve at Hong Kong, the China squadron will certainly be strengthened. But there is still a definite necessity for at least one more armoured cruiser of the *Hampshire* type, two smaller

cruisers of the *Newcastle* type, two or three larger destroyers, and augmentation of the river gunboat fleet with ships of at least an aggregate of 1000 tons displacement.

If the defect is not attended to, and that promptly, there will surely come a day when the China squadron will be called upon to do far more than it has possibilities for accomplishing, with results similar to those which have an unhappy way of attending the habit the British Government has of asking its officers and men on outpost duty to accomplish the impossible. After which it will thank them for lives laid down—well, in the way the British Government's able representative is thanking the brave man who did his best and fell in Somaliland the other day!

And the residents will matter even less!!

ERIC S. ELLISTON.

SHANGHAI, Sept., 1913.

THE COMING WATERLOO

THEY faced the issues boldly,
 Nor shirked the risks they ran,
 They knew the foe they marched to meet,
 The dauntless Corsican.
 But in that fearless outlook,
 Lay the secret sure and true,
 Of England's glorious victory
 On the field of Waterloo.

There still are noble leaders
 Ready to take their stand
 In the forefront of the battle
 To guard their native land.
 We know that peril hovers,
 But may we never rue,
 The apathy of England
 Towards the coming Waterloo.

The struggle lies before us.
 When the hour will come none know.
 What matters it the how or when
 If we're ready for the foe?
 We dare not shirk the danger,
 Voiced by the faithful few,
 All must be up and doing
 To win that Waterloo.

CHARLOTTE PIDGEON.

THE FUTURE OF INSULINDE

BY C. LOUIS LEIPOLDT

Holland needs Insulinde. Holland must therefore try to keep Insulinde. In order to do so it is above all necessary that the people of Insulinde should be friendly disposed towards the people of Holland. . . . And it is equally necessary, Electors, that you take an interest in your own affairs! You need in India a man who knows the people of India, who has lived among them but is sufficiently a man of knowledge not to be influenced in his practice by pure empiricism; a man who endeavours to do good by striving to get at the truth; a man who is not bound by red tape nor by fear of public opinion; a man who does not try to please Cabinet Ministers . . . a man who has courage and soul! Yes . . . Soul! Les grandes pensées viennent du cœur!—*Muitatuli*. "Address to the Electors of Holland" in the "Love Letters."

IN the history of every country there is a period of stress and strain which in most cases is effectually met by a condition of compensation. The wise administrator will realise that such compensation is not boundless. There are certain resources which may be drawn upon, but none of them can be considered inexhaustible. The consumption of capital, the creation of additional power from old resources to deal with new work, is a temporary expedient, limited by comparatively narrow boundaries. If these are overstepped the inevitable result is that compensation proves insufficient and that economic and political failure follow.

A century ago Spain ranked as the richest colonial power in the world, surpassed in acreage of colonial possessions by France alone. Against the 163,000 square miles of colonies possessed by England, France could boast of more than ten million square miles of colonial empire, and Spain of nearly half a million. The unwise and detrimental exploitation of the Spanish colonies alienated their population from the mother-land; compensation, stretched to its uttermost, failed when an added strain had to be borne; there were no reserves to draw upon, and the colonial empire of Spain collapsed. The political failure of France as a great colonising empire was due, almost entirely, to the neglect of ordinary precautions to maintain an equilibrium between sources of revenue and expenditure and sources of power. The downfall of England from her present position as the first colonial power in the world can alone result from similar neglect, but the possible evils of such a disastrous policy are already discounted

by the establishment of virtually independent Dominions within the Empire, States that in time of really acute stress will undoubtedly look after their own interests first, giving only secondary consideration to those of the mother-land.

A fate similar to that which befell Spain threatened the Dutch colonies in the Eastern Archipelago—that “magnificent realm of Insulinde,” whose chief apostle is Eduard Douwes Dekker—so long as the Culture System of Van den Bosch was enforced. Under this system, inherently vicious, since it was an example of the most economically extravagant type of forced labour, the natural wealth and the fertility of the native population enabled some measure of compensation to be established. As added loads were cast upon the country, upon the native by providing him with wants unknown before, upon the soil by exhausting its productiveness by continual exploitation, and upon the white community by saddling it with the cost of various expensive and highly injurious native wars, such compensation came perilously close to failure. Only prompt measures to ensure a period of recuperative rest and to allow the natural vitality of the country to come to the aid of the failing organism, could check that failure and re-establish compensation in a measure sufficient to enable the country to go on producing and its population to develop, socially, intellectually, and morally. Fortune, and not calculation, prevented a catastrophe during the years when the Culture System clutched the land, drained its resources, and impoverished its people. One single load added to the already large burden that Insulinde had to bear, not for the replenishing of her own treasury nor for the building up of her own power, but solely to benefit the home country, would have broken down such compensation as she possessed, and thrown her into a state of political and economic chaos from which it is difficult to see how she could have emerged successfully without foreign assistance.

The Dutch have repented. Multatuli's words no longer apply in all their passionate intensity of truth. What he stated in the “Love Letters” was proved up to the hilt, but such conditions do not now exist. Famine to-day comes from unforeseen disasters; it is no longer the inevitable and consequential result of the culture system. It may owe its severity to the failure of the rice crop through bad seasons, to the ravages of plant or animal plagues, or to the outbreak of disease among the natives, and the disturbance of economic conditions thereby brought about, but in no case is the Government directly responsible. The Dutch Government, indeed, seems actuated by the sincere desire to rule humanely, equitably, and honestly. It has many great—some stupendously great—difficulties to contend with. These obstacles

are in part those that every Government, governing in the interests of a native population in colonial settlements that invite the attention of the foreign investor, has to face. In part, too, they are difficulties created by the peculiar relation between Holland and Insulinde. The interests of the home investor are in many cases diametrically opposed to those of the native and of the permanent white colonist.

Isolated enthusiasts, who think that the progressive development of the country should be hastened and larger privileges granted to the natives, complain that there is still much to be done before the Dutch Government can boast to be truly paternal in the best sense of the term. Thus Grashuis warns his fellow-countrymen that the native does not yet possess that measure of liberty guaranteed him under Article 56 of the Ordinance. Other authorities point out that the taxation system in Insulinde is not ideal, and hint that it is merely a little higher than the old culture system. All taxation, when viewed from the strict standpoint of the pure political economist, is a modification of forced labour, and in so far as this generalisation is true it is accurate to say that the present system under which a land and poll tax are levied is, in a sense, a recognition of the right of the Government to make the native work. But in its application as well as in its scope there is a vast difference between the taxation now imposed and the crude, abuse-generating system of Van den Bosch.

Wessels strongly attacks the land tax on economic and moral grounds, but it is difficult to see that his arguments against it are justified by facts. To an outsider, impartially viewing present conditions, the system of land taxation under which the Government abides by the promise that the soil is common and not individual property, appears to be excellent and specially adapted to a young country such as Java. The abuses in India, in consequence of the liberty given to usurers to gain possession of native lands and virtually to oust the native agricultural labourer from the soil, have repeatedly been condemned by English writers. The monopoly system, under which salt, opium, and a few other commodities are controlled by the Government "regie," is open to more objection than the land tax, but even here the advance upon the old system, under which the sale of these monopolies was farmed out to the highest bidder, is so apparent that it may be taken as a sufficient justification for the present methods.

In agricultural and industrial development Insulinde has made rapid progress during the last ten years. Haberlandt has pointed out how greatly the work done at the Buitenzorg garden has benefited the colony. Another observer remarks that "as much

as the agriculturist in Holland is in advance of his rival in England, so is the planter in Java in advance of his rival in the East generally"—a statement which is certainly no exaggeration. The recent establishment of agricultural schools, and the vigorous and practical interest taken by the Government in education, are signs that there is a serious and reasoned policy of development, based on the right lines and promising future benefits, whose value and importance can hardly be overestimated. Especially in Sumatra and in the Outer Possessions is the work of progressive development and exploitation increasing in range and scope. The advantages to the country, resulting from the building of railways and the opening up of new tracts in the interior, are obvious. All this is being accomplished not under the old system of forcing the native to work and drawing on the reserves of the country, but under a reformed system which benefits the native as much as it does the white colonist.

Modern Dutch writers, whose experience of Insulinde and whose acquaintance with the policy of Holland in respect to her Eastern possessions, give them the right to be heard as authorities, adopt a pessimistic tone when they deal with the future of the Eastern dominions. Kol, for example, expresses himself strongly in regard to the impoverisation and general deterioration of the Javanese. Creusesol, more optimistic perhaps, writes in *Naar de(n) Oost*: "Of a hundred persons in Holland, there are perhaps not more than a dozen whose feeling towards Insulinde is other than one of indifference." The complaint is certainly not groundless. "If we wish to strengthen the ties between the peoples of the West and the East," he proceeds, "it is our sacred duty first of all to attend to those who are economically the weakest—the native population and their life and work." Somewhat similarly, Boissevain* comments on the urgent need to deal with the native question on larger, more liberal, and more statesman-like lines. These observations are doubtless true, but they do not apply to Insulinde alone but to all colonies. Not many years ago the apathy displayed by the chief organs of the Press in this country in questions concerning the colonies showed a manifest want of interest in the affairs of these dependencies. Similar failing is noticeable even to-day in France, Germany, and Belgium. This apathy is the more inexcusable since the international policy of such countries as England, Germany, and France must of necessity be largely based on colonial interests, and must continue to be so based as long as these nations possess colonial dependencies. The sense of impending danger alone, the possibility of losing a colony or of seeing a rival nation enlarge her scope of colonial activity, seems calculated to rouse general interest in the welfare and

* *Tropisch Nederland*, 1909.

development of possessions beyond the sea. In the case of Holland, which, owing to her fortunate position among the nations of Europe, has less cause than any other to anticipate such danger, it is scarcely to be wondered at that her people display so little practical interest in the magnificent colonies that are under their government in the Eastern Archipelago.

When we regard the position of Insulinde itself, we find that she is in the neighbourhood of certain forces which in course of time may not unreasonably be expected to work inimically. Broadly speaking, she is secure from aggression by any white nation. The balance of the large European Powers that may envy Holland the possession of these wealthy islands is so fine that any hostile act against her must inevitably give rise to a world conflagration which it is extremely unlikely any Power, or combination of Powers, will provoke. A recent writer on Java states that the Dutch are quite ready to accept the suzerainty of Germany; but that is an assertion wholly opposed to fact, and one which shows want of acquaintance with the conditions and feeling in Java and Sumatra. The Dutch are quite content to await attack, and their security and apathy incline one to believe that they have no faith in the reality of the approaching danger. Germany is increasing in commercial strength; she is finding Insulinde a rich trade province where her merchants can dispose of their wares at a good profit, and whence she can in return obtain the raw material she requires for her manufactures. The thoroughness with which she has developed her Insulindian trade is highly creditable to her. She has on the spot capable and well-paid consular agents, who are experts and do their utmost to promote her commercial interests.

To Englishmen, indeed, there can be nothing sadder than the contemplation of the systematic manner in which England neglects to look after her trade in Insulinde. She has here not a single independent, well-paid official, whose task it is to devote himself wholly and entirely to furthering her economic interests. Her consuls are members of local firms, estimable men no doubt, but without diplomatic training, and without the independence and the means to act as official representatives. It is unjust that a partner in a firm that competes with other firms should be the person delegated to look after the commercial interests of these rival firms. The proper person to be a British consul in a place like Java, where British interests are second only to those of the Dutch, is a trained consular official, responsible to the department in London, well paid, and quite independent of local influence. Such an individual alone can devote his whole time and energy to the official work that is demanded of him. To expect a consular agent who has his private business to attend to, gratuitously to

act on behalf of his commercial rivals, is to expect far too much from human nature. Everywhere in Insulinde one hears complaints that British trade is dwindling before the competing German. The German undersells because he produces more cheaply. The English merchant in Insulinde thinks that the safe way out of the difficulty is to protect British trade by a retaliative tariff on German goods entering England or English colonies. How this will help to further British trade in Insulinde he fails to show, but the desire to retaliate upon the German is a proof of the fact that German competition is increasingly felt. Much might be done by the British trader by better, more energetic and more thorough reorganisation of trade methods, helped by an improved consular service, for the Dutch make no distinction between German and British goods. The best article wins, whether it is English, Dutch or German. The consumer asks for quality, attractiveness, and cheapness, these three, but the greatest of them is cheapness. It is not enough to say that the British-made article is superior and more durable, and that to buy it therefore at a higher price than is asked for the German article is to be truly economical. The purchaser contrasts it with the so-called inferior quality German ware—often by no means so inferior as is alleged—and decides in favour of the cheaper. It is a way the buyer has all over the world, and it is useless to complain about such commercial shortsightedness.

In this way alone, in this matter of commercial enterprise, is Germany strengthening her influence in Insulinde at the expense of her only serious rival, England. The ships of the German Lloyd that bring passengers to Batavia and Soerabaya have a world-wide reputation for comfort, convenience, and excellence. No British line runs passenger boats to these ports, and those who have once travelled in a German vessel of the kind that plies between Germany and Singapore, will not readily let their patriotic sentiments induce them to come out to the East in a British passenger steamer. These are side issues. The main point is that Insulinde has little to fear from Germany, and everything to gain by encouraging her trade.

It is true enough that German visitors have fully realised what a splendid immigration sphere for the surplus population of the Fatherland these Eastern islands present. Preyer, who is at some pains to demonstrate that British trade and interests are declining all over the East, contends that the German is by nature and temperament far better fitted to colonise tropical countries than the Englishman. He points out that while both German and Dutch colonists make the colonies their home, Englishmen and Frenchmen look upon their sojourn in the colonies as temporary phases of their life, and very often as a period of exile and banish-

ment. He admits that feeling against Germany is strong in Insulinde, but urges that Holland should combine with Germany in an offensive and defensive alliance in order to safeguard her possessions in the East and secure her position. For the reasons already given, such a policy seems entirely unnecessary, and the Dutch themselves have no desire to avail themselves of the suggestion.

Apart from Germany, the only powers in Europe likely to be rivals of the Dutch in the East are France and Great Britain, neither of which will attack Insulinde without first attacking Holland and thereby provoking a general European conflict. It is possible that Holland may be involved in a struggle between these two nations. That, indeed, was the fear ever present in the mind of Dekker, who wrote at a time when England was vigorously opposing the construction of the Suez Canal and France as vigorously supporting that undertaking. It may be said, and truly said, that much water has flown under London Bridge since that date, but Multatuli's conclusion holds as good to-day as it did then, although political conditions are so widely different. "It is in India that the struggle for world supremacy will eventually be fought out. The Canal is the first parallel of the siege works. As soon as the equilibrium is broken and the struggle continues on Indian soil, our colonies cannot imagine that they will remain undisturbed."

No one can deny Dekker's contention that the state of equilibrium between European Powers is artificial and affected. It follows that the possibility of a disturbance must be faced. At present the political horizon is clear, but who can foretell what clouds may obscure it during the next decade? The danger to Insulinde from a war between France and England is greater than that arising from a conflict between any other two European Powers, just because the possession of these Eastern islands will give to one combatant enormous advantages which neither can afford to overlook. In order to remain neutral, Insulinde must be able to make her defences so strong that her neutrality is respected. Whether she possesses that defensive power is a question which must be seriously considered by those responsible for her welfare. Such dangers arising from European complications can hardly be effectively guarded against by Insulinde herself; they must be met by Holland and the home statesmen. The inimical forces that may imperil her independence in the future are much closer to her doors.

With the Commonwealth of Australia, one of her near neighbours, it is unthinkable that she can ever be in conflict; whatever differences may arise between them can easily be settled by diplomacy and arbitration. With the United States,

whose interests in the Pacific are increasing every year, the potentialities of serious difference are only such as may be engendered by a war between America and another Power that may bring about analogous conditions to those foreshadowed by Dekker. But there remain China and Japan.

China is rapidly growing. Her political development during the past five years has been immense; her nation, slumbering so long, has awakened to some realisation of the power and the vigour she may ultimately possess. She has more than half a million of her subjects domiciled here, subjects who are ranked as the political equals of the natives and who are debarred from privileges of citizenship granted to the Japanese. The serious danger that the continuation of the present policy of non-recognition of the political rights of the Chinese may ultimately bring has been referred to by more than one writer on Java. The Chinese Government has shown itself weak and impotent in the past, but it is possible that the younger generation of Chinese statesmen, profiting by the lessons of Western politicians, will adopt a firmer and less sympathetic attitude towards a settlement that persists in denying to Chinese subjects rights that are granted without cavil to the subjects of other nations. Diplomatic complications may easily arise in connection with this question, and also in matters concerning industrial and trade relations, and these complications may as easily develop into a cause for war.

In Insulinde, as generally in the East, Japan is not regarded with the friendly, patronising eye with which she is looked upon by England. Compared with the Chinese, the Japanese have an unenviable reputation for dishonesty, cunning, greed, and chauvinism. The two recent wars in which Japan has been engaged and which have given her that remarkable prestige among the Powers, have not favourably impressed her immediate neighbours, who hold that they were wars of aggrandisement promoted by a deep-laid scheme to secure territorial expansion and commercial benefits unobtainable in any other way. Whether this view is right or wrong does not matter; the fact remains that it is the view held in Insulinde, not perhaps officially but by the community.

At present Japan is the strongest Power in the East. Owing to the withdrawal of British battleships from Eastern waters, her fleet controls the Eastern seas. She can strike a blow at a moment's notice; she can attack and destroy the coast towns of Insulinde and the fortified ports in the East with relative ease. In case she decides upon a trial of strength with America, it is unbelievable that she will scruple to make use of Insulinde as a convenient base. To invest and occupy Poelo Wei, Soerabaya,

Tjilitjap, and other harbours that offer excellent accommodation for her fleet, would cost her little effort or trouble. Her naval and military power is so homogeneous, her discipline so strict, and her resources are so ample, that the risk of embroiling herself with Holland is scarcely likely to weigh with her against the immense advantage she will gain by such investment and occupation. It is quite true that her direct interests in Insulinde are insignificant compared with those of China, England or Germany. These interests will, in all probability, never induce her to attack Insulinde in order to maintain her prestige or safeguard her trade and commerce. But the danger is that she may think fit to take advantage of the natural resources that Insulinde possesses at a time when she has need of material assistance, of harbours, magazines, coaling stations and depôts outside her own territorial limits, or that she may use her strength to further a policy of expansion that can only be successful at the expense of the colonies in the Archipelago.

The present condition of Java, Sumatra and the other islands, so far as concerns defence, can scarcely be said to be satisfactory in the event of Insulinde being called upon to meet such a danger. The coast fortifications may or may not be deemed adequate; they cannot prevent the landing of a Japanese force, and the investment of a country by a fleet armed with long range guns. The naval force available for coast defence is small and weak; it consists of a few cruisers of antiquated model, weakly armed and undermanned, together with a fleet of torpedo boats more up to date but too few to cope with any opposing force of a similar character. The colonial army—an organisation entirely different and distinct from, and independent of, the home army—is composed partly of Europeans and partly of native soldiers in the proportion of one-third of the former to two-thirds of the latter. It numbers fewer than sixty thousand men, but in time of war may be augmented by the reserve of Europeans and natives.

The soldiers do not impress by their martial bearing or smartness; this is probably the effect of the draggled blue uniforms they wear, which are by no means so suitable or clean as the neat khaki dress of the French colonial regulars. Yet as a fighting force this colonial army, no matter how undignified the battalions look, is probably one of the best in the East. Most of the men are trained soldiers who have had actual fighting experience; every one of them in the native squads is a courageous fighter. Indeed, in the native population, the Dutch possess the potentialities of a superb fighting force. If the Japanese soldier is brave to the point of recklessness, the mild-mannered Javanese and the energetic Atjeher are brave with the courage of calm yet passionate endurance that makes them most formidable opponents

in warfare. No considerations of self prevent them from sacrificing their lives in battle, as the Dutch have repeatedly found in Atjeh, where rebels put on the white death shroud before engaging to show that they were determined not to conquer or die, but to die in any case, whether they won or lost. Such a spirit, exhibiting itself not in blatant, bombastic vaunting, but in meeting death and disaster in a calm, almost ecstatic mood, is characteristic of all the better and more warlike natives of the Archipelago. If the Dutch Government selects its army from such men it can rest assured that it places the defence of Insulinde in very capable hands.

Nevertheless it is clear that an army alone cannot adequately defend the realm. A strong, well-manned, powerfully equipped modern fleet is indispensable, and Insulinde must bear her share in the cost of building and keeping up this arm of defence. It is the inevitable consequence of her expansion and prosperity. The burden will no doubt press heavily upon her, but it will have to be borne unless she seeks in alliances which may be broken and treaties that may be torn up that safeguard which the power of protecting herself alone can give her. At present the toll that she pays toward her own protection, in the annual sums expended upon her army and navy, is utterly insignificant compared with the risks that she runs by offering a weak and impotent defence against attack from without. To build a navy adequate for her needs, and to provide the necessary dockyards and accommodation for ships of large size, does not mean to enter upon a policy of militarism. Such a navy can only be for her own defence; she has no one to attack in these waters; her interests lie in securing peace, not in promoting war. If she decides to obtain one or two good warships of the Dreadnought type, supplemented by a fleet of torpedo craft and whatever other armament her expert advisers may deem necessary to ensure her safety, no one can take her action amiss or complain that she is creating in the East a power that is likely to be abused in the future.

But no scheme of defence, no preparation to meet hostile attack can be complete or adequate, unless, and until, she is assured that her population are with her and recognise that it is their duty to support her. Her future depends entirely upon the attitude of her people, and especially upon the manner in which the natives combine with the Europeans to promote her welfare and safeguard common interests. With regard to the natives, while there cannot be said to be active opposition to the Government, there is undeniably a feeling that as progressive advances are made in education, in civilisation, and in industrial development, a larger share of self-government should be given to the native population. The manner in which this problem of self-

government, bristling as it does with difficulties, should be attacked is a question on which there may justifiably be differences of opinion so radical that time and experience alone can reconcile them.

Enthusiasts, irresponsible and ignorant of local conditions, may claim that the Dutch ought to follow the American example in the Philippines and grant to the natives immediately privileges of self-government. Such a peremptory accommodation to hypotheses of ability which are largely founded on sentimental assumptions can only end in disaster. To adopt modifications derived from the policy of the British in India or the French in Cochin China, and to apply them to the central administration, may be approved of by many. But it is difficult to suggest in what way the central administration may be bettered. It is already crystallised in a form which is so admirably adapted to the needs of the country that any attempt to tamper with it must be deprecated. On the other hand there is reason to think that the Government might with advantage and ultimate profit introduce reforms so far as the native administration is concerned.

Hitherto the Dutch have dealt with the natives collectively and not individually, through the chiefs and princes, not through the lower classes and not in a truly democratic spirit. In the past there were many justifications for this policy, while at present there undoubtedly still exist strong argument in favour of continuing it. But the native population is not standing still. It is reaping the benefits of the reforms that have been introduced, and rapidly qualifying for that greater confidence and trust which the Government must ultimately grant. Such a country as Insulinde cannot permanently be ruled by a small section of the white community or a smaller section of accredited native chiefs, who by virtue of birth and ancestral authority are accorded a pre-eminence that sooner or later will be disputed by the lower-class natives who have been educated and civilised.

The Dutch themselves have recognised the necessity for further reforms, though the attempt to carry these into execution has not been proceeded with.* That attempt provided for the creation of provincial councils, composed of Europeans and native residents, both private individuals and government officials. The members of such councils were to be appointed, at first, by the Governor-General on a democratic basis, and the councils were to be merely advisory bodies. Later on they were to be given administrative functions. One-third of all local revenues

* See Van Weede in 'Indische Reisherinneringen,' 1908. Javabode, 1906. Van Oordt, 'Aanteekeningen b.h. Brit. Ind. Bestuursstelsel,' 1901, and Hunter and Strachey's work on Indian Administration.

were to be granted them as provisional budgets, and their work was to be limited to local agricultural and industrial matters until finally they were given charge of all local public works. Such a scheme of local self-government will undoubtedly do much to develop the capacity for self-government which the native possesses. At present that capacity is latent; it cannot honestly be affirmed that the aboriginal Javanese or Sumatran is as yet competent to be trusted with local self-government on a large scale. The process of familiarising him with new methods of administration must be gradual, but the sooner it is started the better will be the ultimate results.

The need in Insulinde, said Mutatuli, was a man of Soul. That necessity is as great to-day as it was then. "To approach questions of native administration in a fashion that excludes the influence of imagination, of feeling, of what is loosely styled political morality, to settle them merely on lines laid down by the hard-and-fast rules of political economy, is to misform the results and to establish a fictitious and artificial atmosphere detrimental to the development of a sane and vigorous national sentiment." Already there exists in Insulinde the basis on which such a sentiment may be developed. Here, if nowhere else in the world, is a possibility that in course of time the two races may amalgamate and produce a nation of Insulinde that possesses the best qualities of both components of the fusion. There is already the nucleus of a race such as this, a nucleus that is condemned by some and approved of by others. Whether one approves or condemns, it is well to take cognisance of the fact that amalgamation is already in progress and that it is likely to develop in the future.

Strident appeals to the incoming Dutch to "keep the breed pure" (whatever such a cry may mean), and extravagant denunciation of the evils that may result from neglecting this warning, will alike fall on deaf ears so long as Insulinde remains what it is—a colony where the conditions of life are entirely different from what they are in Europe. Homogeneity and compactness, coalescence and consolidation, are necessary to maintain that degree of compensation which alone will enable the country to develop along lines that lead to prosperity and progress. All factors that interfere with them should be fought. The introduction of class agitation, of industrial disputes, of religious ferment under the guise of Christian philanthropy, and of private or corporate systems of exploitation that do not bring general benefit to the community, should be discountenanced and suppressed. On Insulinde questions the final say should rest with Insulinde herself. She alone is the judge of what she requires; interference by those unacquainted with her conditions and wants can only harm her, and tend to produce within her the

same irritation and antagonism that followed the interference of Downing Street in the affairs of the English self-governing colonies of the past.

The policy of reform is well under way, and its good results are already noticeable. If Holland proceeds on the lines she has adopted of recent years, she may confidently look forward to creating in the East a realm worthy of her liberal traditions. The sentimental associations that bind the two countries together can only be severed at the risk of detrimentally influencing the future of both. They may be strengthened by the means used to augment the prestige of the home Government in the case of other settlements, by the encouragement of an active and knowledgeable interest in the affairs of Insulinde in Holland, and by the similar encouragement of the history, literature, and language of Holland in the East.

It is an astonishing fact that the reigning house of Holland has never yet sent out one of its members on an official visit to Java. Other European Royalties have visited Java, notably the present Tsar of Russia. But neither the Queen nor the Prince Consort has touched Insulindean soil. The Indo population that has never been to Europe knows the Over Mistress only by reputation and hearsay. A royal visit to Java will undoubtedly be appreciated, and its political importance to the natives will be immense. Nor is there any real reason why such a visit should not be undertaken. The Suez Canal and the improvements in steam navigation have placed Batavia within little more than a fortnight's journey from Amsterdam. The call of a Dutch squadron, with Her Majesty on board the flagship, at the various ports of Insulinde, and a subsequent royal tour through the islands, will tend to strengthen these sentimental ties that bind the colonies to the mother-land. Such a visit will prove to the natives as well as to the European community, that the reigning sovereign takes an active interest in her subjects who have found a permanent home so far from the shores of Holland, and that she wishes to familiarise herself with the conditions under which they live, and with the state of her beautiful island empire that "wreathes round the Equator like a girdle of emerald." Rulers have duties and obligations, and it is inconceivable that the thought of hardship and fatigue can practically influence the Government of Holland in advising the Queen against such a visit.

C. LOUIS LEIPOLDT.

REMINISCENCES OF A B.S.A. POLICEMAN

By E. B. BAKER

I

IN 1905 a station was opened in the Rukori district. The name Rukori was given to it, and two Europeans with several native police were posted there for the winter months, May to September. The station was considered unhealthy, and, being far from any other camp or settlement, was hardly suitable for occupation in the rainy season, when the Mazoe river becomes very deep and turbulent and communication with most places was cut off.

For a journey like that from Mount Darwin to Rukori, about 100 miles through rocky and mountainous country, a sure-footed mount was essential, and in that respect my East African donkey was second to none: he could hold on anywhere and climb like a goat. He very nearly climbed a tree one day on our way to Rukori, when a big black mamba suddenly started up from behind a rock and hissed in his face. On arrival at Rukori a boy was about to take my donkey (I was holding the rein and trying to shake hands with two people at once), when he suddenly espied his implacable enemy, the white jack donkey, with whom he maintained a perennial feud. With a defiant bray he challenged his enemy to mortal combat. Careless of the consequences to my saddle, etc., he galloped off, to be enthusiastically greeted by the other, who, glad of the diversion, met his advances half way. It took three of us, with half a dozen natives, to pull them apart, and when they had been secured beyond the possibility of continuing the fray, they kept us awake half the night with their mutual assurances of undying hatred.

The camp was situated close to one of the largest baobab trees I have seen, on the north bank of the Mazoe, and about 500 yards east of, and below, the junction of that river with the Inyadiri. Opposite, on the south bank, Mount Ruchenga, one of the highest peaks in Mashonaland, towers over the river.

At Rukori the river is broad, but in one place it is confined,

except during the summer floods, between the rocks which form a channel about 12 feet across. Over this channel I built a bridge with poles and withes, which was of great service to anyone crossing on foot. I even took the donkey over it one day, but it was not constructed for heavy traffic. The drift by which animals crossed was half a mile below the camp, very broad, and infested with crocodiles. We shot a few, and I noticed that eels, crabs, and apparently some kind of vegetable matter, formed part of the dietary of one of the reptiles. It requires a good deal of enthusiasm, however, to undertake investigations of that nature; even skinning a crocodile is a loathsome affair.

Being on the extreme eastern border of Mashonaland, our sphere of duty lay chiefly to the north and west from the camp. There were a good many buck and great quantities of birds. The red-legged partridge (*oikoio*), which is larger than the ordinary bird, sand-grouse, guinea-fowl, geese, and green parrots, helped to impart a pleasant variety to our diet. It may or may not be common knowledge that a young parrot often figures to advantage on the bill of fare. There are some quail in the Rukori, but they do not, I think, usually frequent the low, warm veld.

Native game traps were exhibited rather freely here, but we discouraged their use with some effect. But the practice obtaining in the Rukori, as in the Fungwi and in the Abercorn Districts, of setting traps for leopards and wild cats, is by no means objectionable. The contrivance used is that of a heavy pole suspended over the bait (for carnivora a rat is generally pressed into service) which is connected with cords in such a way that contact with the bait releases the pole which descends with tremendous force. Baboons, of course, were never far to seek; natives catch them when invading their cultivated land by means of traps consisting of innocent-looking huts from the roof of which a few mealies are suspended. A baboon will enter and seize the mealie; his action causes a roughly-made door to fall over the entrance, and he finds himself imprisoned in the trap.

There were some wild red cats (*rooikat*), but nothing like the numbers to be found in the Ndanga district, where they are really plentiful. I forget whether the Government gave rewards in those days for the skulls and skins of certain wild animals classed as vermin. For several years past the natives have applied their energies in the direction of destructive measures on account of the reward offered for lions, leopards, baboons, crocodiles and other harmful animals.

The crude cream of tartar with which the pods growing on baobab trees are filled is used by the natives for food. Wooden spikes are driven into the smooth soft trunk of the tree, forming a

ladder by which to ascend, and the pods can be knocked off with a stick.

By the side of any well-worn Kaffir path a platform, made of stout poles tied with strips of bark, may frequently be noticed in a baobab tree. These platforms are made for the use of travellers, who sleep on them in preference to remaining on the ground and running the risk of falling a victim to lions or leopards, which are very numerous in these parts.

The district, as a whole, is unfertile, and the natives are sometimes in a bad year reduced to living almost entirely on such sustenance as they can procure on the veld. Their knowledge of the many different roots, berries, and seeds, which are at least non-poisonous, if not actually nutritious is unique and very interesting. Even the common grass seeds are not despised, though their recovery is laborious in the extreme.

E. B. BAKER.

WIRELESS TELEGRAPHY

DURING last year a wireless installation was erected at the Falkland Islands. The installation was supplied by the Marconi Wireless Telegraph Company, Limited, London, and consists of a 5 KW. set, with low frequency alternator and rotary spark discharger: the prime mover being a 15 B.H.P. oil engine. The two masts measure 220 feet each. The aerial is of the twin "T" type, having six wires on either side. The station is situated on the top of a ridge at the east end of the Murray Heights, about two miles from Stanley. The installation was commenced in March and finished in August. The winter months interfered with the progress of the work. During March the Governor laid the west mast foundation plate and the station was formally opened by His Excellency in the following September. Regular communication, atmospheric conditions permitting, was maintained, and the station proved invaluable on the occasion of the wreck of the Pacific Steam Navigation Company's s.s. *Oravia*. Commodious quarters were likewise erected for the operators.

In the course of his report on Somaliland for 1912-13 the Acting Commissioner tells us that the wireless service between Berbera and Aden has been satisfactorily maintained throughout the year without breakdown. The apparatus and machinery are standing the strain of the tropical temperature and atmosphere remarkably well; depreciation being at a very low rate. Electrical plant and instruments are, however, subjected to considerable strain,

owing to the general high temperature and the quantity of fine sand which penetrates and collects almost everywhere during the Kharif season. It has, therefore, been decided to duplicate, at both Berbera and Aden, all apparatus in which the liability to serious breakdown exists. In May the Berbera radio-apparatus and machinery were transferred to a new stone building erected as a radio-station. Great advantages have been derived from the transfer, which was effected without any prolonged interruption in the service. Arrangements have been made to instal rotary disc high-frequency dischargers capable of producing a musical signal of a note equivalent to 600 vibrations per second. This is expected to overcome very considerably the difficulty experienced when communicating during the times that atmospheric or static electric charge effects prevail.

At the Aden station a twenty-four hours service is maintained, while at Berbera, in addition to the day service, the station opens at 8 p.m., to establish communication with any ship within night range. All ships fitted with wireless apparatus and passing to and from Europe and the East establish communication with both Aden and Berbera, and maintain touch for periods varying from twenty-four hours upwards. The number of communications established with each station during 1912-1913 was 897. During the year under review there has been a slight falling off in the number of messages received, namely, 3,215, as against 3,287 of the previous year. The service is considerably used by warships, captains of liners, and shipping agents, besides the travelling public. Arrangements have been made to instal a small wireless station at Bulhar to replace the land line to Berbera, which has been a continual source of trouble throughout the year and has proved unsuitable. The station when completed should have no difficulty in communicating with the wireless station at Berbera under the worst atmospheric conditions. It is expected that a considerable saving in upkeep and a more efficient service will be the result of the change. It is not intended that the Bulhar wireless station should communicate with ships, and therefore a short and a little used wave-length has been selected. However, the station during working hours, will be prepared to receive distress signals and to communicate with any ship requiring assistance.

INDIAN AND COLONIAL INVESTMENTS

BY TRUSTEE

OWING partly to a fresh flood of high-class loan issues offering remunerative rates of interest to investors, the past month has not been favourable to the market for investment securities. Another depressing factor has been the autumnal tightening of money, necessitating a rise to 5 per cent. in the Bank Rate in order to protect the Bank of England's reserves from serious depletion by foreign demands.

Although there has been an unfortunate extension of the trouble among native-managed banks in India, the panic has been localised, and there have been no signs of misgivings as to the soundness of financial conditions generally in the Dependency. Indian Government stocks have been depressed with other gilt-edged securities, but the prices of the railway stocks and bank shares have been well maintained.

Five Canadian Government and municipal issues have been offered during the month—one by the Dominion, one by the Province of Alberta, and three by cities. On the whole they have met with as little success as new issues generally, the public being still inclined to pick up such securities at the discounts to which they fall after allotment.

INDIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
INDIA.					
3½% Stock (t) . . .	£ 91,276,210	1931	88	3½	Quarterly.
3% " (t) . . .	66,480,596	1948	75	4	"
2½% " Inscribed (t) . . .	11,892,207	1926	63	3½	"
3½% Rupee Paper 1854-5	..	(a)	95½	3½	30 June—31 Dec.
3% " " 1896-7	..	1916	81	3½	30 June—30 Dec.

(t) Eligible for Trustee investments.

(a) Redeemable at a Quarter's notice.

INDIAN RAILWAYS AND BANKS.

Title.	Subscribed.	Last year's Dividend.	Share or Stock.	Price.	Yield.
RAILWAYS.					
	£				
Assam—Bengal, L., guaranteed 3% .	1,500,000	3	100	74½	4
Bengal and North-Western (Limited)	3,000,000	8	100	154½	5½
Bengal Dooars, L.	400,000	6	100	103½	5½
Bengal Nagpur (L), gtd. 4% + ¼th profits	3,000,000	5	100	115	4½
Burma Guar. 2½% and propn. of profits	3,000,000	4½	100	108	4½
Delhi Umballa Kalka, L., guar. 3½% + } net earnings	800,000	9½	100	195½	4½
East Indian Def. ann. cap. g. 4% + ½ } sur. profits	1,721,949	6½	100	98½	6½
Do. do, class "D," repayable 1953 (t) .	4,828,051	5½	100	119½	4½
Do. 4½% perpet. deb. stock (t)	1,435,650	4½	100	111	4
Do. new 3% deb. red. (t)	8,000,000	3	100	74x	4
Great Indian Peninsula 4% deb. Stock (t)	2,701,450	4	100	100	4
Do. 3% Gua. and ½ surp. profits 1925 (t)	2,575,000	4½	100	98	4½
Madras and South Mahratta	5,000,000	5	100	112	4½
Nizam's State Rail. Gtd. 5% Stock . .	2,000,000	5	100	101	4½
Do. 3½% red. mort. debts.	1,063,800	3½	100	77	4½
Rohilkund and Kumaon, Limited . . .	400,000	7½	100	154½	4½
South Behar, Limited	379,580	5	100	101	4½
South Indian 4½% per. deb. stock, gtd.	425,000	4½	100	111	4
Southern Punjab, Limited	1,000,000	10	100	163½	6½
Do. 3½% deb. stock red.	500,000	3½	100	80	4½
West of India Portuguese Guar. L. . .	800,000	5	100	91	5½
Do. 5% debenture stock	550,000	5	100	100	5
BANKS.					
	Number of Shares.				
Chartered Bank of India, Australia,) and China	60,000	16½	20	59	5½
National Bank of India	80,000	14	12½	39½	4½

(t) Eligible for Trustee investments.

(x) Ex dividend.

The Dominion loan, offered through the Bank of Montreal, consisted of £3,000,000 of 4 per cent. Registered stock at 99, redeemable at par between 1940 and 1960. The issue was made partly for the purpose of redeeming the £1,700,000 of 4 per cent. Guaranteed bonds that matured on October 1, holders of the maturing bonds being given an opportunity of converting into an equal amount of the new stock, and receiving £1 6s. per cent. in cash.

Alberta's issue was in the form of 4½ per cent. Registered stock to the amount of a million sterling, offered at 95 per cent. The stock, which is redeemable in 1943, was issued to redeem outstanding Treasury Bills and to meet expenditure connected with the extension of the public telephone system and other public works. Including this issue, the funded debt of the province amounts to £2,411,000.

The municipal issues were by the cities of Vancouver, Edmonton and North Battleford. Vancouver offered at 95 £462,200 of 4½ per cent. stock due in 1953, to provide funds for bridges,

CANADIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Regd. Stock . .	28,162,776	1930-50*	90	3 $\frac{7}{8}$	1 Jan.—1 July.
PROVINCIAL.					
ALBERTA.					
4% Debs.	411,000	1938	94	4 $\frac{7}{8}$	1 June—1 Dec.
BRITISH COLUMBIA.					
3% Inscribed Stock .	2,045,760	1941	77	4 $\frac{1}{2}$	1 Jan.—1 July.
MANITOBA.					
4% Regd. Stock . .	1,915,000	1950	92x	4 $\frac{7}{8}$	1 May—1 Nov.
NEW BRUNSWICK.					
4% Regd. Stock . .	450,000	1949	95	4 $\frac{5}{8}$	1 Jan.—1 July.
NOVA SCOTIA.					
3½% Stock	650,000	1954	83	4 $\frac{7}{8}$	1 Jan.—1 July.
ONTARIO					
3½% Regd. Stock . .	1,200,000	1946	88	4 $\frac{3}{8}$	1 Jan.—1 July.
QUEBEC.					
3% Inscribed . . .	1,897,820	1937	78	4 $\frac{1}{2}$	1 Apr.—1 Oct.
SASKATCHEWAN.					
4% Regd. Stock . .	1,082,192	1951	94	4 $\frac{3}{8}$	1 Jan.—1 July.
MUNICIPAL.					
Calgary 4½% Debs. .	1,920,900	1930-42*	92	5 $\frac{1}{8}$	1 Jan.—1 July.
Edmonton 4½% Debs.	641,400	1918-51*	92	5	1 Jan.—1 July.
Hamilton (City of) 4%	482,800	1934	88	4 $\frac{1}{8}$	1 Apr.—1 Oct.
Montreal 4%	2,400,000	1948-50	93	4 $\frac{7}{8}$	1 May—1 Nov.
Quebec 4% Debs. . .	385,000	1923	96	4 $\frac{3}{8}$	1 Jan.—1 July.
Regina 4½% Debs. .	382,500	1925-52*	91	5	1 Jan.—1 July.
Toronto 4% Bonds .	300,910	1922-28*	94	4 $\frac{5}{8}$	1 Jan.—1 July.
Vancouver 4% Bonds	121,200	1931	90	4 $\frac{1}{8}$	1 Apr.—1 Oct.
Winnipeg 4% Regd. .	2,500,000	1940	92	4 $\frac{3}{8}$	1 Apr.—1 Oct.

* Yield calculated on latest date.

hospitals, roads and so on. Edmonton offered £900,000 of 5 per cent. Sterling bonds at 96, the bonds being redeemable in series in 1923, 1933 and 1953. The proceeds of the loan are required for the repayment of temporary loans, for street-paving, sewers, waterworks and other public works.

One of the outstanding features of the Grand Trunk Railway report, which has now supplemented the preliminary profit statement for the first half of the current year, is the large expenditure on new rolling-stock out of revenue. It is stated that during the half 41 Pacific-type passenger engines, 25 Mikado-type freight engines, 15 switch engines, 1,570 box cars and 12 refrigera-

CANADIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up per Share.	Price.	Yield.
RAILWAYS.					
Canadian Pacific Shares . .	2,000,000	%	\$100	229½	4½ ⁵ / ₈
Do. 4% Preference . . .	£15,173,563	4	Stock	93½	4½ ¹ / ₈
Do. 4% Cons. Deb. Stock . .	£32,725,383	4	"	97½	4½ ¹ / ₈
Grand Trunk Ordinary . . .	£22,475,993	nil.	"	23½	nil.
Do. 5% 1st Preference . . .	£3,420,000	5	"	106½	4½ ¹ / ₈
Do. 5% 2nd " . . .	£2,530,000	5	"	100	5
Do. 4% 3rd " . . .	£7,168,055	2½	"	53½	4½ ¹ / ₈
Do. 4% Guaranteed . . .	£12,215,555	4	"	84½	4½ ¹ / ₈
Do. 5% Perp. Deb. Stock . .	£4,270,375	5	"	115	4½ ¹ / ₈
Do. 4% Cons. Deb. Stock . .	£22,222,442	4	"	92	4½ ¹ / ₈
BANKS AND COMPANIES.					
Bank of Montreal	160,000	12	\$100	240	5½ ³ / ₈
Bank of British North America	20,000	8	50	75	5½ ¹ / ₈
Canadian Bank of Commerce .	200,000	12	\$50	£20½	6½ ³ / ₈
Canada Company	8,319	50s. per sh.	1	22½	11½ ¹ / ₈
Hudson's Bay	1,000,000	50	1	10½	4½ ¹ / ₈
Trust and Loan of Canada .	100,000	8	5	6½	6½ ³ / ₈
Do. new	25,000	8	3	3½	7½ ³ / ₈
British Columbia Elec-) Def.	£1,200,000	8	Stock	122½	6½ ³ / ₈
tric Railway . . .) Prefd.	£1,200,000	6	Stock	111	5½ ³ / ₈

NEWFOUNDLAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Sterling Bonds . .	2,178,800	1941-7-8*	84	4½ ⁹ / ₈	} 1 Jan.—1 July.
3% Sterling " . .	325,000	1947	74	4½ ¹ / ₈	
4% Inscribed Stock . .	320,000	1913-38*	99	4½ ¹ / ₈	
4% " " . .	427,881	1935	99	4½ ¹ / ₈	
4% Cons. Ins. " . .	200,000	1936	98	4½ ¹ / ₈	
3½% Inscribed, 1910 . .	800,000	1950	90	4	

* Yield calculated on latest date.

tor cars were purchased on revenue account, while a hundred engines were added to the official stock and charged to capital account.

As regards the construction of the Grand Trunk Pacific, the report states that the track has been laid to a point 1,204 miles west from Winnipeg, and to a point 305 miles east from Prince Rupert, leaving a gap of about 230 miles to complete the main line from Winnipeg to the Pacific Coast. In addition to the actual track laid, grading has proceeded on the unfinished section, and the directors hope that, unless unforeseen circumstances arise, the main line from Winnipeg to Prince Rupert will be

joined up by the autumn of next year. There are about 12,000 men employed on the work.

For the second month of the new half-year the Grand Trunk Company has reported an increase of £38,550 in gross receipts and an increase of £13,500 in expenses, the net receipts thus showing a gain of £25,050.

On the Canadian Pacific system August produced a decrease of \$818,000 in gross earnings accompanied by a diminution of only \$61,000 in working expenses, the increase in net earnings thus being \$757,000 making an aggregate net decrease of \$1,088,000 for the first two months of the financial year.

At the Annual meeting of the Canadian Pacific Company in Montreal, Sir Thomas Shaughnessy, the President, dealt with the question of segregating the land assets of the company. Addressing the shareholders, he said: "Your directors have been considering

AUSTRALIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
NEW SOUTH WALES.					
4% Inscribed Stock (t)	9,685,800	1933	100	4 $\frac{1}{8}$	} 1 Jan.—1 July. 1 Apr.—1 Oct.
3 $\frac{1}{2}$ % " " (t)	16,464,545	1924	93	4 $\frac{5}{8}$	
3% " " (t)	12,475,800	1935	81	4 $\frac{3}{8}$	
VICTORIA.					
4% Inscribed, 1885 .	5,970,000	1920	100	4 $\frac{1}{8}$	} 1 Jan.—1 July.
3 $\frac{1}{2}$ % " 1889 (t)	4,987,250	1921-6†	94	4 $\frac{3}{8}$	
3% " (t) . .	5,211,331	1929-49†	77	4 $\frac{5}{16}$	
QUEENSLAND.					
4% Inscribed Stock (t)	7,939,000	1924	100	4 $\frac{1}{16}$	} 1 Jan.—1 July.
3 $\frac{1}{2}$ % " " (t)	4,834,334	1921-24†	93	4 $\frac{3}{8}$	
3% " " (t)	4,274,213	1922-47†	78	4 $\frac{1}{2}$	
SOUTH AUSTRALIA.					
4% Bonds	1,359,300	1916	99	4 $\frac{5}{8}$	} 1 Apr.—1 Oct.
4% Inscribed Stock .	6,281,500	1916-7-36†	98	4 $\frac{1}{8}$	
3 $\frac{1}{2}$ % " " (t)	2,517,800	1939	89	4 $\frac{3}{8}$	} 1 Jan.—1 July.
3% " " (t)	839,500	1916-26†	87	4 $\frac{3}{8}$	
3% " " (t)	2,760,100	1916 † or after.	73	4 $\frac{1}{8}$	
WESTERN AUSTRALIA.					
3 $\frac{1}{2}$ % Inscribed (t) . .	3,780,000	1920-35†	88	4 $\frac{1}{8}$	} 1 May—1 Nov. 15 Jan.—15 July.
3% " (t) . .	3,750,000	1915-35†	79	4 $\frac{5}{8}$	
3% " (t) . .	2,500,000	1927†	87	4 $\frac{1}{2}$	
TASMANIA.					
3 $\frac{1}{2}$ % Insebd. Stock (t)	4,156,500	1920-40†	89	4 $\frac{3}{16}$	} 1 Jan.—1 July.
4% " " " (t)	1,000,000	1920-40*	100	4 $\frac{1}{8}$	
3% (t)	450,000	1920-40†	81	4 $\frac{3}{16}$	

* Yield calculated on earlier date of redemption.

† Yield calculated on latest date of redemption.

‡ No allowance for redemption.

(t) Eligible for Trustee Investment.

AUSTRALIAN MUNICIPAL AND OTHER BONDS.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Melbourne & Met. Bd. of Works 4% Debs. }	1,000,000	1921	96	$4\frac{9}{16}$	1 Apl.—1 Oct.
Do. City 4% Deb. .	850,000	1915-22*	98	$5\frac{5}{8}$	} 1 Jan.—1 July.
Melbourne Trust 4½% Debs. }	1,650,000	1914-16*	100	5	
S. Melbourne 4½% Debs.	128,700	1919	100	$4\frac{1}{8}$	} 1 Jan.—1 July.
Sydney 4% Debs. . .	300,000	1919	98	$4\frac{9}{16}$	

* Yield calculated on earlier date of redemption.

AUSTRALIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Emu Bay and Mount Bischoff . . .	12,000	% 5	5	$5\frac{1}{2}$	$4\frac{1}{2}$
Do. 4½% Irred. Deb. Stock	£130,900	$4\frac{1}{2}$	100	94	$4\frac{1}{2}$
BANKS AND COMPANIES.					
Bank of Australasia	40,000	17	40	114	$5\frac{1}{8}$
Bank of New South Wales	125,000	10	20	39	$5\frac{1}{8}$
Union Bank of Australia £75 . . .	60,000	14	25	$54\frac{1}{2}$	$6\frac{3}{8}$
Do. 4% Inscribed Stock Deposits . .	£600,000	4	100	98	$4\frac{1}{8}$
Australian Merc. Land & Finance £25	80,000	$12\frac{1}{2}$	5	7	$8\frac{1}{2}$
Do. 4% Perp. Deb. Stock	£1,900,000	4	100	90	$4\frac{7}{8}$
Dalgety & Co. £20	154,000	8	5	$6\frac{1}{2}$	$6\frac{3}{8}$
Do. 4½% Irred. Deb. Stock	£511,037	$4\frac{1}{2}$	100	100	$4\frac{1}{2}$
Goldsbrough Mort & Co. 4% A Deb. }	£998,530	4	100	$81\frac{1}{2}$	$4\frac{1}{2}$
Stock Reduced					
Do. B Income Reduced	£669,543	5	100	$93\frac{1}{2}$	$5\frac{5}{8}$
South Australian Company £15 . .	14,200	£4	£4	$59\frac{1}{2}$	$6\frac{1}{8}$
Trust & Agency of Australasia . .	54,979	$12\frac{1}{2}$	1	$1\frac{3}{4}$	$10\frac{1}{2}$
Do. 5% Cum. Pref.	100,000	5	10	$9\frac{3}{4}$	$5\frac{1}{8}$

the desirability of conveying these lands, town sites and other interests to a company in exchange for all its capital stock to be held in your Treasury and taken into the balance-sheet with your other assets, but a conveyance of that description has its disadvantages, particularly with reference to the lands, and it is probable that the same end may be accomplished by the creation of an investment fund to be administered by trustees or by officers of the company specially designated. In any event, your directors will endeavour, before the next annual report is published, to devise some plan for reconstructing the special income account and showing your extraneous assets in more definite and tangible form. In the meantime, while the present policy of dealing with your land sales will remain unchanged and the proceeds will be conserved as heretofore, it is felt that the cash proceeds of sales

NEW ZEALAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
5% Bonds	266,300	1914	101	5	15 Jan.—15 July.
4% Inscribed Stock (t)	29,295,302	1929	98	4 $\frac{5}{8}$	1 May—1 Nov.
3 $\frac{1}{2}$ % Stock (t)	17,528,932	1940	90	4 $\frac{1}{8}$	1 Jan.—1 July.
3% Inscribed Stock (t)	9,659,980	1945	77	4 $\frac{3}{8}$	1 Apr.—1 Oct.

(t) Eligible for Trustee Investments.

NEW ZEALAND MUNICIPAL AND OTHER SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Auckland 5% Deb. . .	200,000	1934-8*	105	4 $\frac{1}{8}$	1 Jan.—1 July.
Do. Hbr. Bd. 5% Debs.	150,000	1917	102 $\frac{x}{2}$	4 $\frac{7}{8}$	10 April—10 Oct.
Bank of N. Z. shares†	150,000	div. 15%	11 $\frac{1}{2}$	4 $\frac{7}{8}$	—
Do. 4% Gua. Stock‡ . .	£1,000,000	1914	100	4 $\frac{1}{8}$	April—Oct.
Christchurch 6% Drainage Loan. }	200,000	1926	111 $\frac{1}{2}$	4 $\frac{7}{8}$	30 June—31 Dec.
Lyttleton Hbr. Bd. 6% }	200,000	1929	109 $\frac{1}{2}$	5 $\frac{3}{8}$	} 1 Jan.—1 July.
Napier Hbr. Bd. 5% Debs. }	300,000	1920	101	5	
Do. 5% Debs. }	200,000	1923	101	5	
National Bank of N.Z. } £7 $\frac{1}{2}$ Shares £2 $\frac{1}{2}$ paid }	200,000	div. 13%	5 $\frac{1}{2}$	6 $\frac{3}{8}$	Jan.—July.
Oamaru 5% Bds. . . . }	173,800	1920	98	5 $\frac{1}{2}$	1 Jan.—1 July.
Otago Hbr. Cons. Bds. } 5% }	443,100	1934	102	4 $\frac{7}{8}$	1 Jan.—1 July.
Wellington 6% Impts. Loan }	100,000	1914-29	103 $\frac{1}{2}$	—	1 Mar.—1 Sept.
Do. 6% Waterworks . .	130,000	1929	113 $\frac{1}{2}$	4 $\frac{3}{8}$	1 Mar.—1 Sept.
Do. 4 $\frac{1}{2}$ % Debs.	165,000	1933	101	4 $\frac{1}{8}$	1 May—1 Nov.
Westport Hbr. 4% Debs. }	150,000	1925	97	4 $\frac{3}{8}$	1 Mar.—1 Sept.

* Yield calculated on earlier date of redemption.

† £8 13s. 4d. Shares with £3 6s. 8d. paid up.

‡ Guaranteed by New Zealand Government.
(x) Ex dividend.

in your town sites may with propriety be taken into special income to be dealt with as the directors in their discretion deem best." These remarks have been taken in some quarters to foreshadow a distribution of securities representing the land assets, but it will be seen that the President in reality indicated something quite different.

Information has been received by cable that the Bank of Adelaide has declared an interim dividend at the rate of 10 per cent. per annum for the half year. The 10 per cent. rate has now been maintained for four years and a half.

The most interesting loan issue of the month was that of

New Zealand. The amount offered was £3,500,000 in 4 per cent. Ten-year Debentures at 98½. These debentures are convertible on favourable terms into 4 per cent. Inscribed Stock, 1943-63, which is a trustee investment. This conversion option made the issue a means of obtaining a 4 per cent. trustee security on exceptionally cheap terms. Nevertheless only 8 per cent. of the issue was subscribed by the general public, the rest going to the underwriters, and this unsatisfactory response led to a decision among the Stock Exchange underwriters of Colonial Government loans not to underwrite any further issues of this class until the large amount of undigested stock had been absorbed by investors.

An interim dividend at the rate of 6 per cent. per annum has

SOUTH AFRICAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
CAPE COLONY.					
4½% Bonds	£ 261,400	dwgs.	100x	4½	15 Apr.—15 Oct.
4% 1883 Inscribed .	3,670,995	1923	101	4	1 June—1 Dec.
4% 1886 "	9,860,466	1916-36*	99	4½ ⁵ / ₈	15 Apr.—15 Oct.
3½% 1886 " (t). .	14,891,244	1929-49†	89	4½ ¹ / ₈	1 Jan.—1 July.
3% 1886 " (t). .	7,483,240	1933-43†	79	4½ ⁵ / ₈	1 Feb.—1 Aug.
NATAL.					
4½% Bonds, 1876 . .	758,700	1919	101	4½	15 Mar.—15 Sep.
4% Inscribed (t) . .	3,026,444	1937	100	4½ ⁵ / ₈	Apr.—Oct.
3½% " (t)	3,714,917	1914-39†	89	4½ ¹ / ₈	1 June—1 Dec.
3% " (t)	6,000,000	1929-49†	78	4½	1 Jan.—1 July.
TRANSVAAL.					
3% Guar. Stock (t) .	35,000,000	1923-53†	88	3½	1 May—1 Nov.

* Yield calculated on earlier date of redemption.

† Yield calculated on later date of redemption.

(t) Eligible for Trustee Investments.

(x) Ex dividend.

SOUTH AFRICAN MUNICIPAL SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Bloemfontein 4% . .	£ 763,000	1954	93	4½	1 Jan.—1 July.
Cape Town 4% . . .	1,851,850	1953	96	4½	1 Jan.—1 July.
Durban 4%	850,000	1951-3	94	4½	30 June—31 Dec.
Johannesburg 4% . .	5,500,000	1933-4	92	4½ ⁵ / ₈	1 April—1 Oct.
Krugersdorp 4% . . .	100,000	1930	92	4½	1 June—1 Dec.
Pietermaritzburg 4%	825,000	1949-53	92	4½	30 June—31 Dec.
Port Elizabeth 4% . .	369,468	1964	93	4½ ⁵ / ₈	30 June—31 Dec.
Pretoria 4%	1,250,000	1939	94	4½ ⁷ / ₈	1 Jan.—1 July.
Rand Water Board 4%	3,400,000	1935	92	4½ ⁵ / ₈	1 Jan.—1 July.

SOUTH AFRICAN RAILWAYS, BANKS, AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Mashonaland 5% Debs.	£2,500,000	5	100	91½	5½ ⁷ / ₈
Rhodesia Rlys. 5% 1st Mort. Debs. } guar. by B.S.A. Co. till 1915. . . }	£1,931,800	5	100	102	4½
Trans-African 5% Debs. Red. . . .	£1,845,300	5	100	82	6½ ¹ / ₈
BANKS AND COMPANIES.					
African Banking Corporation £10 shares	80,000	7	5	6	5½ ³ / ₈
Natal Bank £10	148,232	8	2½	2¾	7½ ¹ / ₈
National Bank of S. Africa £10 . .	131,690	6	10	11½	5½ ³ / ₈
Standard Bank of S. Africa £20 . .	309,705	14	5	12	5½ ¹ / ₈
Ohlsson's Cape Breweries	60,000	8	5	5½	7½ ³ / ₈
South African Breweries	965,279	17½	1	1½ ⁵ / ₈	9
British South Africa (Chartered) . .	8,937,559	nil	1	1	nil
Do. 5% Debs. Red.	£1,250,000	5	100	104½	4½
Natal Land and Colonization . . .	68,066	6½	5	3½	8½
Cape Town & District Gas Light & Coke	10,000	nil	10	2½	—
Kimberley Waterworks £10 . . .	45,000	5½	7	6x	6½ ¹ / ₈

(x) Ex dividend.

been declared by the National Bank of South Africa for the nine months ended September 30. The same rate was paid for the preceding two years.

The daily average production of gold from the Transvaal showed a slight further recovery during September, but the total output for the month was less than that for August, as will be seen from the following statement giving the returns month by month for several years past :—

Month.	1913.	1912.	1911.	1910.	1909.	1908.
	£	£	£	£	£	£
January . .	3,353,116	3,130,830	2,765,386	2,554,451	2,612,836	2,380,124
February . .	3,118,352	2,989,832	2,594,634	2,445,088	2,400,892	2,301,971
March . . .	3,358,050	3,528,698	2,871,740	2,578,877	2,580,498	2,442,022
April . . .	3,334,358	3,133,383	2,836,267	2,629,535	2,578,804	2,403,500
May	3,373,998	3,311,794	2,913,734	2,693,785	2,652,699	2,472,143
June	3,173,382	3,202,517	2,907,854	2,655,602	2,621,818	2,442,329
July	2,783,917	3,255,198	3,012,738	2,713,083	2,636,965	2,482,608
August . . .	3,092,754	3,248,395	3,030,360	2,757,919	2,597,646	2,496,869
September .	2,999,686	3,176,846	2,976,065	2,747,853	2,575,760	2,496,112
October . .	—	3,265,150	3,010,130	2,774,390	2,558,902	2,624,012
November .	—	3,216,965	3,057,213	2,729,554	2,539,146	2,609,685
December .	—	3,297,962	3,015,499	2,722,775	2,569,822	2,806,235
Total * .	28,587,613	38,757,560	34,991,620	32,002,912	30,925,788	29,957,610

* Including undeclared amounts omitted from the monthly returns.

Another unsatisfactory native labour return has been issued, the supply for the Transvaal gold mines showing a further diminution of 5,586 hands during September, whereas during the corresponding month of last year there was an increase of 1,628. The supply is now nearly 30,000 short of what it was at this time last year.

Month.	Net Gain on Month.	Natives Employed end of Month.	Month.	Net Gain on Month.	Natives Employed end of Month.
January 1912 .	5,764	184,046	January 1913 .	8,774	200,090
February " .	6,274	190,320	February " .	7,572	207,662
March " .	6,423	196,748	March " .	71	207,733
April " .	1,189	197,937	April " .	2,309*	205,424
May " .	4,103*	193,829	May " .	7,780*	197,644
June " .	5,335*	188,494	June " .	8,550*	188,094
July " .	5,569*	182,925	July " .	17,852*	170,242
August " .	3,814*	179,111	August " .	12,019*	158,223
September " .	1,628	180,739	September " .	5,586*	152,637
October " .	1,319	182,058	—	—	—
November " .	4,823	186,881	—	—	—
December " .	4,435	191,316	—	—	—

* Net loss.

September's gold output from Rhodesia was practically the same as that for the preceding month, despite the difference in the respective lengths of the periods. The following statement shows the Rhodesian output month by month for several years past:—

Month.	1913.	1912.	1911.	1910.	1909.	1908.
	£	£	£	£	£	£
January . .	220,776	214,918	207,903	227,511	204,666	199,380
February . .	208,744	209,744	203,055	203,888	192,497	191,635
March . . .	257,797	215,102	231,947	228,385	202,157	200,615
April . . .	241,098	221,476	221,296	228,213	222,700	212,935
May . . .	242,452	234,407	211,413	224,888	225,032	223,867
June . . .	241,303	226,867	215,347	214,709	217,600	224,920
July . . .	249,302	240,514	237,517	195,233	225,234	223,151
August . . .	250,576	239,077	243,712	191,423	228,296	220,792
September .	250,430	230,573	225,777	179,950	213,249	204,262
October . .	—	230,072	218,862	234,928	222,653	205,466
November .	—	225,957	214,040	240,573	236,307	196,668
December .	—	218,661	217,026	199,500	233,397	217,316
Total .	2,162,478	2,707,368	2,647,895	2,569,201	2,623,788	2,526,007

Hopes as to the land scheme, of which the details are shortly to be announced, in Rhodesia by Sir Starr Jameson, the president of the Chartered Company, and as to the cattle-ranching scheme that are being arranged have given new life to the Rhodesian market recently, the shares of the land-owning companies being particularly prominent in the rise.

CROWN COLONY SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Barbadoes 3½% ins. (t)	375,000	1925-42†	90	4½ ¹ / ₈	1 Mar.—1 Sep.
Brit. Guiana 3% ins. (t)	250,000	1923-45†	80	4½ ³ / ₈	1 Feb.—1 Aug.
Ceylon 4% ins. (t) . .	1,076,100	1934	100	4	15 Feb.—15 Aug.
Do. 3% ins. (t) . . .	2,850,000	1940	79½	4½ ³ / ₈	1 May—1 Nov.
Hong-Kong 3½% ins. (t)	1,485,733	1918-43†	88	4½ ³ / ₈	15 Apr.—15 Oct.
Jamaica 4% ins. (t) . .	1,099,048	1934	99	4½ ¹ / ₈	15 Feb.—15 Aug.
Do. 3½% ins. (t) . . .	1,493,600	1919-49†	89	4½ ¹ / ₈	24 Jan.—24 July.
Mauritius 3% guar. } Great Britain (t) . }	600,000	1940	87	3½ ³ / ₈	1 Jan.—1 July.
Do. 4% ins. (t) . . .	482,390	1937	99	4½ ¹ / ₈	1 Feb.—1 Aug.
Sierra Leone 3½% ins. (t)	729,848	1929-54†	91	4	1 June—1 Dec.
Trinidad 4% ins. . . .	422,593	1917-42*	98	4½	15 Mar.—15 Sep.
Do. 3% ins. (t) . . .	600,000	1922-44†	80	4½ ³ / ₈	15 Jan.—15 July.
Hong-Kong & Shang- hai Bank Shares . }	120,000	Div. £4½	£79	5½	Feb.—Aug.

* Yield calculated on shorter period.

† Yield calculated on longer period.

(t) Eligible for Trustee investments.

EGYPTIAN SECURITIES.

Title.	Amount or Number of Shares.	Dividend for last Year.	Paid up.	Price.	Yield.
Egyptian Govt. Guaranteed Loan (t) .	£7,102,800	3	99	89	3½ ⁵ / ₈
" Unified Debt	£55,971,960	4	100	99	4
National Bank of Egypt	300,000	8	10	16½	4½ ³ / ₈
Agricultural Bank of Egypt, Ordinary	496,000	5½	5	5½	5½ ³ / ₈
" " " Preferred	125,000	4	10	8	5
" " " Bonds .	£2,350,000	3½	100	79	4½

(t) Eligible for Trustee investments.

TRUSTEE.

October 23, 1913.

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THE CASE FOR BRITISH INDIANS IN SOUTH AFRICA

AN INDICTMENT OF GOVERNMENT POLICY

BY THE RIGHT HON. LORD AMPHILL, G.C.I.E., G.C.S.I.

(Late Governor of Madras)

An official "communiqué" regarding the Indians in South Africa states that the Government of India telegraphed to Lord Crewe on November 19 strongly urging the necessity of a thorough and impartial inquiry, and, in the case of the allegations proving true, emphatically protesting against the inhuman treatment of a loyal section of his Majesty's subjects. The same day Lord Hardinge, the Viceroy, wired direct to the Governor-General of South Africa, and on the 20th the Indian Government wired to Lord Crewe that the position was becoming increasingly grave, and urging that the Government of South Africa should negotiate with India. The "communiqué" then repeats Lord Gladstone's telegram denying the reports of ill-treatment, but the Viceroy has again urged upon Lord Crewe the importance of a thorough impartial inquiry by a strong committee, on which Indians should be fully represented.—*Sinla, November 23, Reuter.*

RECENT events show that it is no longer possible to ignore the British Indian question in South Africa. The Government are no doubt congratulating themselves that Parliament is not sitting, for if that were the case they would find it difficult to prove that the present deplorable situation is not due to their own indifference and incompetence. The present Colonial Secretary and his two immediate predecessors have one and all failed to understand that the solution of this problem is of vital importance to the Empire, and, as the official correspondence plainly indicates, the Government have treated the question in a most perfunctory manner.

They cannot say they have had no warning; there have been constant and urgent warnings both in this country and from India, where the growing indignation has long since assumed a very serious aspect. They have thought it sufficient for parliamentary purposes to say that we cannot interfere with the internal affairs of a self-governing Dominion, and this shallow and utterly

unsound excuse has proved good enough for many people who ought to know better. If the excuse were valid it would mean that the Empire was merely a temporary association from which any of its partners may retire at a moment's notice. It would mean that no mutual duties and obligations existed between the Mother Country and the Dominions on the fulfilment of which each partner in the Empire has a right to insist; that a treaty with any foreign nation was a better guarantee for the rights of Great Britain than the bonds of mutual self-interest which link the Empire together.

Can anyone doubt that if British subjects were ill-treated in a foreign country we should protest and be prepared to enforce our protest? But if it be our right to insist on the fair treatment of British subjects in foreign countries, surely it is far more our right to insist on the same claim in lands under the British flag, lands which we protect with our armed forces and which share with us the advantages of the Imperial partnership.

Rights are not rights at all unless they are capable of enforcement, and it is therefore puerile to say that we are powerless to prevent injury to the Empire and the discrediting of Imperial rule at the hands of any one of the Dominions. If we were to inflict a similar harm on South Africa, the Union Government would speedily find means to compel us to recognise the rights of a partner in the Empire.

But in this case there has never been any occasion for threats or disagreeable pressure of any kind. All that was required and all that is now required is a little imagination on the part of our statesmen, a better comprehension of the meaning of empire and a stronger sense of responsibility for the maintenance of British honour. If narrow absorption in domestic concerns had left room for proper attention to this problem on the part of our Government, responsible men in South Africa would not have failed to understand that the matter is one in which they are bound to meet our views and so avoid irreparable injury to the Empire.

All who profess to take an intelligent interest in political affairs should know what wrongs have been inflicted on our Indian fellow-subjects and what rights they claim. For with this knowledge only can they judge how these wrongs should be remedied and what rights are due to British subjects living under the British flag.

To the Imperialist, that is, to the man who believes in the British Empire and recognises that common duties and common responsibilities are involved in the maintenance of a system in which he places his whole faith, the matter is a vital Imperial problem. It is equally a subject of concern to the Little Englander who is at all sincere in his professions, for the one and only justification for

the existence of that class is the advocacy of broad humanitarian principles. It is among the sentimentalists of that school that we find those who are foremost and loudest in the demand that Great Britain should go to the rescue of oppressed nations and classes all over the world, and it is they who, with missionary zeal and indiscretion, desire to bestow representative institutions and Parliamentary Government on all peoples and races, whatever their creed, colour or customs may be.

But our Indian fellow-subjects in South Africa are not demanding equal political rights or even a vote. Their demand falls far short of that, and is merely that they should be treated in accordance with the pledges given to them by British Governments and made by British statesmen. They ask that in the eyes of the law they should not be treated as an inferior and servile race, and that, although it is necessary for economic reasons to set bounds to their competition with the white man in South Africa, they may at any rate be secure against wilful and systematic oppression. So modest an appeal for justice and humane treatment ought to commend itself alike to Imperialist and Little Englander, in fact, to any member of any class whose views are based upon principle and held with sincerity.

The excuse that we cannot interfere with the affairs of a self-governing colony was rudely shattered only a few months since, when it was patent to all that law and order could not be maintained in South Africa without the assistance of British troops, while to those persons capable of taking a wider view it has always been apparent that the existence of the colonies is guaranteed by the British Navy. But why was the matter not settled before the Transvaal became a self-governing colony? All the trouble originated in the Transvaal and for a long time was confined to the Transvaal, and it was absolutely within the power of the Imperial Government to postpone the grant of responsible Government until it had been settled. There were other opportunities of settling it, notably when this colony, in which we were said to have no right to interfere, was obliged to come to us to borrow money in order to carry on at all. There was another great opportunity when the sanction of the British Parliament was required for the establishment of the Union of South Africa, but so far from taking advantage of the opportunity the Imperial Government permitted the trouble to spread to the whole of South Africa. There is no excuse for the neglect and incompetence which allowed this deplorable trouble to continue and to grow until it aroused indignation in India more general and more genuine than any movement of public opinion which has yet pervaded that vast and heterogeneous Dominion.

So long as we were able to put the blame on a foreign State

our indignation at the ill-treatment of our Indian fellow-subjects was strong and universal. The treatment of British Indians resident in the Transvaal was "part of the British case against the South African Republic," as the Colonial Secretary of 1904, the late Mr. Alfred Lyttelton, reminded Lord Milner after the war was over. And while hostilities were in progress British statesmen did not fail to remind the people of its justification and origin.

Speaking at Sheffield in 1899, Lord Lansdowne said :

"A considerable number of the Queen's Indian subjects are to be found in the Transvaal, and among the many misdeeds of the South African Republic, I do not know that any fills me with more indignation than its treatment of these Indians. And the harm is not confined to the sufferer on the spot; for what do you imagine would be the effect produced in India when these poor people return to their country to report to their friends that the Government of the Empress, so mighty and irresistible in India, with its population of three hundred millions, is powerless to secure redress at the hands of a small South African State?"

Far-sighted and prophetic words. And "the effect produced in India" is sufficiently disquieting to all concerned for the good name of Great Britain and the stability of British Rule in that part of the King's dominions.

The views expressed almost at the same time by Lord Selborne, who afterwards became High Commissioner at the Cape, were no less impressive.

"Was it or was it not," asked Lord Selborne, "our duty to see that our dusky fellow-subjects in the Transvaal, where they had a perfect right to go, should be treated as the Queen in our name had promised they should be treated? If they agreed with him and admitted that these were questions which we had to answer, as trustees before our fellow-countrymen and before history, then they would agree with him also that the path of duty was to be ruled, not by sentiment, but by plain facts. We were trustees for our brothers all over the world. Trustees also for our fellow-subjects of different races and different colours. For all those and the unborn children of these. Therefore, the test we had to apply in an emergency like this was the simple test of duty. Was it or was it not our duty to see that the rights and the future interests of those he had named should be maintained? Was the British Government going to make its name respected and to have the pledges given by it faithfully observed? Was it going to see that the British subject, wherever he went all over the world, whether he were white or black, was to have the rights which his Queen had secured for him?"

How is it that these views, endorsed as they were by public

opinion, have not prevailed since the war gave the British Government absolute power "to make its name respected and to have the pledges given by it faithfully observed." How is it that "our dusky fellow-subjects in the Transvaal" have not been treated "as the Queen in our name had promised they should be treated"? There is no answer that can be made without shame. The lot of Indians in South Africa became worse instead of better after the war, and that they were driven by the intolerable oppression to resort to "passive resistance" with all its penalties of imprisonment, financial ruin, and banishment.

The latest and long deferred attempt to solve the problem has been the Immigrants Regulation Act, passed by the Union Parliament of South Africa on June 13th last, received the assent of the Governor-General on the following day and came into force on August 1st. This Act, so far from having settled the question, has led to a recrudescence of "passive resistance," because it fails to perform specific promises made to the British Indian community, and because it does not fulfil those conditions which His Majesty's Government have repeatedly and explicitly declared to be essential. It passes understanding why the Government should have allowed the Governor-General, a servant of the Crown and not an independent potentate, to assent to the Bill before its final text had reached this country, when they had the right under the South African Act to reserve the Bill for the assent of the King.

The pledges, given in writing to the Indian community by the Union Government in a correspondence known as the "Provisional Settlement of 1911," were as follows:—

That legislation should be passed in the next session repealing Act 2 of 1907 (the Act which gave rise to passive resistance and all the devoted self-sacrifice to their ideal of the Indian community) subject to the reservation of the rights of minor children.

That there should be no "racial bar" in any future legislation for the whole Union.

That existing rights should be maintained; and

That there should be an amnesty for passive resisters.

On the faith of these pledges passive resistance was suspended by the Indian community in 1911. But the promised legislation was not passed in the next session, or, indeed, until the present year, and the two essential conditions of the compact have been violated—the removal of the racial bar and the maintenance of existing rights.

It is most important to understand that these were the essential conditions, for herein lies the proof that the Indians are struggling for an ideal which every civilised being ought to

respect. They ask for no new rights. They merely ask that they should not be treated under the law as an inferior and servile race, and be secured in the rights they have hitherto enjoyed in accordance with the pledges of the British Government. They have striven and suffered to an extent which a European community could hardly surpass. They say, "Exclude our people, since it is necessary for the interests of a young nation to do so, but do not let your laws declare that they are excluded on account of racial inferiority. Let the grounds of exclusion defined by your laws be those of economic necessity. Treat us as strangers, if it so please you, but do not forget that we have helped you to develop your country, and do not deprive us of rights which we have hitherto enjoyed amongst you."

It remains to show how the Immigrants Regulation Act fails to maintain existing rights or to remove the racial bar, and goes contrary to the stipulations of His Majesty's Government. South African born Indians have hitherto enjoyed the unquestioned right to enter the Cape. That right has been taken away by Section 5 (e) of the Act read together with the proviso at the end of the same section. The Indians of Natal have hitherto enjoyed the right of domicile after three years' residence without indenture. That right has been taken away by definition of the term "domicile" in Section 30 of the Act. The Indians of the Cape have hitherto enjoyed an appeal to the Supreme Court on facts as well as on law, but that right has been reduced to an appeal on law only.

Writing as Secretary of State for the Colonies on October 7th, 1910, Lord Crewe said:—"I ought to add that any solution that prejudices or weakens the present position of Indians in the Cape Colony and Natal would not be acceptable to His Majesty's Government." Why, then, have His Majesty's Government, advised by Mr. Harcourt, accepted a solution which unquestionably "prejudices and weakens" the position which Indians held before? Our so-called democratic Parliament has neither received nor even demanded an explanation.

Why this silence and neglect on the part of the high-souled legislators who shouted themselves hoarse on every platform in their indignation at the treatment of Chinese coolies? Their principal complaint was that the Chinese labourers were under indenture and forced to live in "locations," and these conditions were represented to the people of this country as conditions of "slavery." But surely the object in view of the South African policy is to drive the free Indian back to indenture and to compel the Indian community to reside in locations. Compare the anxiety of the Government about the Chinese labourers with the apathy in the case of our Indian fellow subjects.

The Immigrants Regulation Act still maintains a "racial bar" in respect of the Free State, for under Section 7 Asiatics alone will be required, on entering the Free State, to make a declaration which is humiliating to them, absolutely unnecessary for the purpose which the Free Staters have in view, and, in fact, a wanton slight upon Indians. The Act is unsatisfactory in other respects, and particularly because it makes no provision for the recognition of marriages solemnised in South Africa according to Hindu and Muhammadan rites. There was a further promise that the £3 Poll Tax upon Indians should be abolished, but this promise also has not been fulfilled. The reason is that the Poll Tax, which is valueless as a source of revenue and impossible of strict enforcement in view of the extreme poverty of most of those who are liable to it, is required as an instrument for driving Indian labourers to re-indenture; for subjecting them to the very conditions at which the opponents of "Chinese slavery" professed to be so deeply scandalised.

It will probably be said that the Indians are putting themselves out of court by resorting to extreme measures of pressure, and that the Union Government cannot yield to intimidation. But that again would not be a true description of the position. The Indians are not in the position of workmen who have struck without previously attempting peaceful negotiation, but in the position of workmen who are obliged to strike because of the non-fulfilment of an agreement made with them after negotiation. Nor have they been unduly impatient; they have waited over three years for the promised redress, and they refrained with great public spirit from taking advantage of the difficulties of the Union Government at the time of the great strikes on the Rand.

Moreover, the grievance of the Indians in South Africa is a matter of honour. All they ask is for the cessation of a policy dishonouring and humiliating to their race, that they may not be deprived of rights hitherto enjoyed and that they may be secured against persecution. In a matter of this kind I venture to submit they are entitled to the respect of all who value human freedom and racial dignity.

From the lowest point of view it is to our interest as well as to the interest of South Africa to remove the grievance of this useful law-abiding and peaceable community. Their ideal is worthy of citizens of the Empire and subjects of the King, and we shall be false to all our professions of humanity if we do not make that ideal possible of attainment.

AMPTHILL.

THE TEMPER OF EUROPE

By DIPLOMATIST

IN the course of an informative article expressing warm approval of the statement made by Count Berchtold in the Foreign Affairs Committee of the Hungarian Delegation, the *North-German Gazette* offers some timely remarks on the position of international affairs. Commenting on the decline, for some time noticeable, in the antagonism between the groups of Powers, due in no small measure to the diplomatic co-operation that proved so effective in maintaining the peace of Europe, this organ of public opinion in Germany makes two references of special interest.

It recalls with pleasure the Austrian Foreign Minister's reference to the improvement in Anglo-German relations, and pays tribute to the frankness of the Russian Prime Minister when discussing questions, still outstanding, with Germany's official representative. And in further explanation of what the *North-German Gazette* evidently regards as a situation satisfactory and full of hope, we are reminded, and reminded truly, that the position all round provides additional evidence of "a more friendly temper in Europe." This expression of opinion on the part of our German contemporary finds an answering echo in the Press of our own country as well as in that of other countries whose representatives took part in the conference presided over by Sir Edward Grey, a conference which, though now out of session, is still in being, and the members of which are ready and willing to come together if and when occasion should require.

The advance in Anglo-German relations, to which Count Berchtold has alluded, is particularly gratifying to the British Government and to the British people. And, since in this instance Government and people are working together for a common purpose and in a common cause, it may, I think, be assumed that the improvement will continue to grow in warmth and cordiality.

The sending of battleships by the German Government to South Africa and South America, and the visit of a British squadron to the Mediterranean, have necessitated withdrawals from the North Sea. These are movements of good omen, indicating as they do that it is no longer the policy either of the German or the British Governments to localise their fleets in home waters, but rather to use their naval strength in showing the flags of the two nationalities in various parts of the world. A critic may say, But is not this tantamount to admitting that Britannia no longer rules the waves? Not at all. It merely shows that we are no longer jealous and suspicious of our neighbour; that we recognise the German fleet is being built not for purposes of offence but for purposes of defence, and that included in those purposes are the protection of Germany's sea-borne commerce and her interests in other climes. "Ah!" but my critic will say, "look at the additional prestige that will come to Germany if her Dreadnoughts circumnavigate the world after the custom of British men-of-war. And will not this lead to a desire for conquest, or at any rate open the door to political intrigue?" I do not think so. Besides, what lands are there to conquer? Is it suggested that Germany has designs on the British Dominions? Such a suggestion would be as absurd as it would be insulting.

I advise my critic to use a little common-sense. Remember, it was the want of that commodity which introduced and fostered the policy of pinpricking that so nearly destroyed the good feeling that had existed between this country and Germany for generations. We are not going to make the same mistake again. We do not intend to look upon Germany as our necessary enemy in every diplomatic move on the political chessboard of the world. We intend to regard her as our friend, and whether the two flags fly side by side on the ocean or the land, we intend to let it be known that the two Governments and the two peoples are working together towards the same end—prosperity at home and peace abroad.

But not only have the relations between this country and Germany advanced; the same may be said, although in a different sense, in regard to our relations with Austria-Hungary. Not that any real friction ever existed, but looking back a little in the history of political events I recall a difference of opinion over the annexation of Bosnia-Herzegovina, a step which Count Berchtold tells us marks the terminus of territorial expansion on the part of the Dual Monarchy. Neither did we always see eye to eye with Austria-Hungary during the Balkan negotiations. Nor were the two Governments exactly united on the terms of peace which closed the second Balkan War. On the other hand, the great difficulty that presented itself to the Emperor Francis

Joseph and his advisers was the question of Albania. And in the speech from the Throne the other day His Majesty said :

“ In view of the great importance of the Adriatic Sea for the Monarchy as the only outlet for our maritime trade, my Government has directed its special attention to the solution of the Albanian question. In full agreement with the Allied Italian Government we initiated the foundation of an independent principality of Albania at the Conference of Ambassadors in London, and in doing so we were able to gain the support of the Powers for our endeavours.”

Without doubt it was the support of the Powers that enabled Austria-Hungary to gain the end she wished regarding the future of Albania, and no Power did more to bring this about than Great Britain, backed up at every stage by Germany. In the statement above alluded to Count Berchtold spoke openly, says the *Times* correspondent at Vienna—whose recently published book on ‘The Hapsburg Monarchy and Peoples’ is a timely as well as a scholarly contribution to European literature—“ of the existence, during the late crisis, of sentiments hostile to the Monarchy, not only among certain Balkan States, but also among the Great Powers. It is therefore all the more interesting that with regard to the present relations with Russia he should state that the development of the Balkan situation has removed many causes for misunderstandings between the neighbouring empires, and has not only decreased the number of points of friction between them, but has led to an agreement about their views and interests which cannot but have a most favourable influence upon the future development of their relations.”

Nor did Count Berchtold forget the part played by Sir Edward Grey, for whose direction of the Ambassadors’ Conference he tells us “all Europe can find only words of gratitude and recognition.” Praise is also given to Italy and to Germany, but for the “somewhat unfriendly expression of opinion” which from time to time finds utterance in France no explanation is forthcoming other than a refusal to believe it reflects the true feeling in authoritative quarters.

Referring to the Triple Alliance, and especially to the warm friendship existing between Germany and Austria-Hungary, the Emperor Francis Joseph observed :—

Our relations with all the Powers continue to be friendly. The Alliance binding us for decades, for the welfare of our peoples, with the German Empire and Italy has once again at a serious time shown itself as the strong palladium of European peace. The recent visit of the German Emperor to Vienna, which gave me great pleasure, testifies once more to the existing close bonds of friendship between us and the German Empire.

It may be said, therefore, that whatever differences of opinion we as a nation may have had with Austria-Hungary the settlement of the Albanian question and the great tact shown by Sir Edward Grey at the Ambassadors' Conference has more than wiped those differences away. And if the slightest cloud remained on the horizon it has been removed by the visit the Archduke Francis Ferdinand of Austria is now paying to this country. Nothing could have done more to cement the friendship between the two countries than the sojourn in our midst of the Heir-Apparent of the Austria-Hungarian monarchy, first as the guest of the King and Queen and later as a visitor in a more private capacity. It is also most gratifying to us as a nation that the Archduke was accompanied by his consort the Duchess of Hohenberg. As a sportsman His Royal Highness appeals to all Englishmen, while his skill as a gardener and love of rural life ensure him many friends in a country whose chief interest still centres in agriculture. In naval affairs he has taken a prominent part, and the advancing position of the Austro-Hungarian fleet owes not a little to the ability and statecraft of the Archduke Francis Ferdinand. His tour of the British Dominions gave him an insight into colonial life which fell on good soil, and the visit he subsequently paid to Queen Victoria to thank her late Majesty for the hospitality he received from the oversea representatives of the Crown is still fresh in many memories. The great friendship that always existed between King Edward and the Emperor Francis Joseph was a feature in royal circles as well as in European politics, and the fact that this friendship, in each case, has been handed on from father to son augurs well for the future relations not alone of the reigning families of Great Britain and Austria-Hungary, but of the two great nations which owe allegiance to King George and the Emperor Francis Joseph.

I now pass from the personal to a more general note, to the Prime Minister's speech at the Lord Mayor's Banquet, an occasion eagerly looked forward to by the Chancelleries of Europe. Nor is there any reason to doubt that similar interest was taken in the proceedings both at Washington and in Mexico. Referring to the conflict between Turkey and the Allied Balkan States and the hostilities which followed between the victorious Allies, the Prime Minister did not seek to hide the responsibility which lies on the shoulders of the States directly concerned for the future of the populations for whose interests, under the new distribution of power in the Balkans, they have severally become the trustees. He repeated what Sir Edward Grey has so often told us, that the main object the European Concert had in view was to prevent the war spreading to the Powers themselves, and while he paid a warm tribute to the support each Power gave towards securing

this end, he did not forget to mention that from time to time "moments of grave anxiety" arose. On the question of satisfaction he was more reserved, but if he could not honestly say that all the Foreign Offices of Europe were satisfied with such settlement as had already been made, he felt himself able to state they were resigned to the position and prepared "with goodwill to each other and a common desire for the continuance of peace," to make the best of the altered situation.

His pronouncement on the attitude of the Government towards Turkey was listened to with marked attention, as while it was recognised that little new remained to be said, there was a general desire to have an official statement regarding British interests in Asiatic Turkey. On this point the Prime Minister was most emphatic. It is, he said, the "desire of His Majesty's Government that the integrity of the Asiatic provinces should not be infringed," and he continued:—

In them are to be found the Holy Places of the Mahomedan religion, held sacred by the whole body of Mussulmans, many millions of whom are loyal and devoted subjects of the British Crown. We could not see without lively concern anything that threatened the Holy Places or their possible transfer from Mussulman possession. There are, I need not say, other and more general grounds why, in common with the other Powers, we wish to see no invasion of the territorial integrity of Asiatic Turkey.

The first and best, and the most necessary, safeguard for its maintenance is internal reform; and in existing conditions it is not likely—and perhaps not possible—that such a reform can be effectively carried through without the direct assistance and the active co-operation of the Powers. We ourselves here in Great Britain shall gladly afford any help in the prosecution of that task which the Turkish Government may invite, without forgetting that there are other Powers who, from geographical situation or from economic interests, have a special concern in the well-being and development of Asia Minor.

Touching on China, the gist of the Prime Minister's remarks may be summed up in his concluding observations that in view of our past relations with China and of the great interests of British trade which are bound up with the future development of this country "we are anxious to see the authority of a stable central government accepted by the provinces and effective throughout the Empire." Turning to Mexico, Mr. Asquith denied that when the Government of the United States were taking a line of their own there was any foundation for the rumour that we entered upon a new departure of policy deliberately or at any rate in effect opposed to that of the United States and calculated to thwart

it. In view of the not too friendly attitude adopted towards this country by some organs of the American press it may perhaps be well to reproduce from the *Times* report the Prime Minister's own explanation of British policy :

It was on March 31 of this year, before the present Administration in the United States had made, or indeed had had any opportunity of making, any declaration of policy, that his Majesty's Government recognised General Huerta as President *ad interim* of Mexico. We did so because, having ourselves neither the will nor the power to intervene, we were bound to deal, as we should in the case of any Central or South American State, with whatever was for the time being the *de facto* Government; and because, according to the information then in our possession, there appeared to be no element except that of General Huerta and his supporters which offered any prospect of the restoration of stability and order.

That was on March 31. Very shortly afterwards, in answer to our inquiries, we were informed by the Government of the United States that, as regarded the recognition of General Huerta, no definite answer could be given except that they would wait some time longer before recognising him. Since then there has been no new departure, no change of policy of any kind, on the part of his Majesty's Government. There has been a change of British Ministers, but it involved no new policy. We have a right to assume, and we most gladly make the assumption, that in whatever policy the United States may adopt they will have regard to legitimate foreign commercial interests in Mexico as well as to their own.

The Prime Minister added, presumably in order to set at rest the extravagant reports, based mainly on extracts from newspapers reproduced from the other side, "that our diplomatic relations with the United States have for a long time been such that, with the freest and frankest discussions of all matters that may from time to time arise, we both feel the fullest assurance that nothing can happen to disturb our common resolve to attain and maintain a friendly and sympathetic understanding." And as was only natural he paid a glowing tribute to our late Ambassador, Mr. Bryce.

Earlier in the evening the audience listened to a dissertation from Mr. Churchill on the Navy. There was the usual bombardment of figures and the customary indirect self-adulation. But on this occasion we heard little of the "unswerving" policy of the Government, and the only reference to Germany was that her navy showed "unmeasured and unbroken development." Would one could say the same of the British Navy. Had it not been for the fateful years from 1906-9, when the First Lord of the

Admiralty vied with the Little Englanders in his antagonism to expenditure on the Navy, we should not be in the position we are to-day. It is all very well to ring the changes on the patriotic note when you have arrived at the proud position of being the figure-head of the British Navy, but none of us are likely to forget the parsimony of 1906-9. There was the usual trumpet blast for Lord Fisher, which indirectly must always be regarded as a bugle call for Mr. Churchill, and the speech concluded with a puff for the personnel, which during the period above named was reduced to so low a level, that unless extraordinary measures had been taken this year we should not have been able to man the ships we are building, nor to place them in the fighting line.

It would be difficult to find fault with the Prime Minister for expressing a hope that his vision is correct when he sees on the horizon signs which portend the inevitable slackening in volume and velocity of the tide of armaments, but one is thankful that both he and the First Lord made no further allusion to the naval holiday. Such things are not understood in the City of London any more than in the City of Berlin, and as it was not an occasion when votes were wanted, silence was doubtless considered the wiser policy.

DIPLOMATIST.

RECENT AERONAUTICAL PROGRESS IN RELATION TO SEA POWER

By A. WHARTON METCALFE, B.Sc.

(*Past President Bristol Association of Engineers*)

Author of 'The Estimation of Naval and Sea Power Standards,' etc.

"Popular Governments are not generally favourable to military expenditure, however necessary, and there are signs that England tends to drop behind."
—Mahan.

MODERN aeronautical machines, among which the dirigible and the aeroplane are at present the most conspicuous, were received by the British public first with curiosity and later with enthusiasm—with enthusiasm in a large measure because flying provided a new field for the exhibition of skill coupled with danger, a combination that will never fail to appeal to the adventurous instinct of our nation while its spirit remains what it is. But all who view the reverse side of recent aeronautical developments and give it thought, will wish that the larger share of this enthusiasm may result in a permanent addition to the resources, defensive and offensive, of the country.

At the same time it must be obvious to anyone that while the novel machines available in war may add to our defensive and offensive capabilities, they afford similar advantages to other nations, but with a difference that on the whole favours possible enemies. For the first time in two hundred years our sea-girt island is liable to attack from without, not by sea but by sky, even though our old standard of naval superiority had been maintained, which it has not. How much, or how little that risk may amount to depends upon two factors, (1) the restoration of our sea power* standard and our margin of safety at sea; (2) the possession of aerial fleets allotted to naval service of the same standard of superiority to those of rivals (allotted to similar purposes) as our navy should possess over theirs. Aeroplanes and dirigibles used for military purposes, though provided for and administered independently of those devoted to naval service, should be available when necessary to act in joint operations.

* In 'The Estimation of Naval and Sea Power Standards' the distinction between "naval" and "sea power" is explained.

Without sharing certain prevailing and pessimistic views as to the future of our sea power, always provided we make good the retrogression of our sea power standard and remedy promptly our deficiencies in air craft, one must admit that our first line of defence has been affected in two ways to a degree that may cripple our activities if suddenly engaged. The old sense of security of attack from without to which the nation as a whole has been accustomed, can never be wholly restored. The danger that threatens, and would become actual in war, can be reduced by adopting in time and without haste the measures indicated, and this it is incumbent upon us to do without delay. The balance of international defensive and offensive capacities which has been disturbed, can only be redressed by the acceptance of new methods and new means. The limitation of the sphere of action and capacities of two "arms" of war by modern aeronautics coincides in time with the disturbance of the balance of political power in Europe.

Some twenty years have passed since 'The Influence of Sea Power upon History' was published. The date was posterior to the general use of submarine torpedoes and submarine craft, but anterior to the time when the achievements of the "dirigible" and the "aeroplane" in the practice of modern aeronautics marked the advent of new methods and means in warfare. Their arrival compels international recognition of a possible new type of belligerent power, the sky or aerial power corresponding to the sea or naval powers of a previous age; the two are not identical, though the greater, sea power, includes the less.

These nautical and aeronautical machines are specially mentioned for two reasons, approximately they define certain epochs, and each has exercised an influence on either strategy or tactics; incidentally too, their sequence suggests a systematic method for the comparison of the lines along which sea and sky craft have or may be expected to develop.

Viewed in the light of recent history the appearance of Mahan's great work at the end of last century is an event which the lapse of twenty years has invested with much interest and significance. For it marks, as we now see, the close of one epoch and yet contains no suggestion of a great and impending change—no hint is given of the instability of then existing conditions, the impression it leaves on the mind of the reader is rather the reverse. The author codifies for future generations as though time could effect no change in it, the complete theory and practice of sea power as established by the experience of ancients and moderns.

The work deals with the elements of sea power, its sure foundations, far-reaching influence, economy of force, administra-

tion, strategy and tactics, and wars offensive and defensive whereby a nation possessing it exercises dominion in the world. Issuing from the press at what we now recognise to have been the eve of the age of sea power exercised independently on one element alone, the author seems to write of something of which the methods of action are as immutable as the principles of its strategy; unconscious of an impending and portentous change.

From to-day's standpoint, therefore, Mahan's work reads like a stately tribute, a splendid epitaph to the memory of the first phase of sea power, the phase through which so many European nations have passed, the phase of sea power, acting independently, by simple means, the floating battleship propelled by oars or the force of the wind, on the surface of one element, the ocean. The introduction of steam and marine engines, even of armour and of heavy guns, did not alter strategical conditions, though it affected tactics by creating an additional type, "steam tactics": armour and heavier guns of the breech-loading pattern resulted in the offensive and defensive powers of battleships and cruisers being raised to a higher plane. It is not till we arrive at the era of the fish torpedo and of the submarine that there is introduced a new method into naval warfare. While structure and function grow in complexity, independence of action is preserved.

What must for the present be termed the last phase of sea power has begun. It is noticeable for the enormous growth in the tonnage of the principal units composing squadrons and fleets, also by further increased complexity of structure and of function, and again by the acquisition of means (wireless telegraphy) upon which is built a code system of inter-communication between ships and divisions though separated by hundreds of miles, means which must greatly extend the scope and efficiency of naval strategy, though it will curtail the ability to effect blockades.

The last phase is, however, mainly characterised by the fact, though for the moment it has escaped definite pronouncement, that *sea power has lost for ever its independence of action and self-containedness of function*, by the admission of sky power as a necessary and indispensable adjunct of naval force: sea power henceforward is a compound of two forces acting on two elements.

If we look at the typical natural machines which manœuvre in water and in air, fishes and birds, we must be struck by the fact that they are volume for volume heavier than the element which is their habitat: in the corresponding human machines in use down to the fish torpedo era the case is exactly the opposite, the floating ship and the air balloon, the earlier types respectively of sea and air craft to manœuvre in water and in air, are each lighter, volume for volume, than the elements they are designed to move in.

With the submarine and aeroplane the case is different; they follow nature's method more closely in being heavier volume for volume than the element in which they manœuvre. Machines of the older class, which are lighter volume for volume than those elements, are therefore from the nature point of view abnormal; but as their functions are relatively simple it has been found easier to design them to accomplish their appointed simple ends, than the submarine, aeroplane and the amphibious hydroplane, which approximate to nature's normal conditions as to volume weight.

Nature's machines are very various in function and automatic in action and infinitely more complicated than the floating ship or the air balloon, but as man's art, as in the case of the submarine and the aeroplane, begins to imitate and approach nature's models we get greater complexity of structure and of detail, and with it greater variety of function plus automatic action.

This enlargement of function and increased automaticity of action extends to the offensive and defensive capacities and to the motive powers.

It is therefore clear that the development of the most modern instruments of naval warfare, beginning with the Whitehead or fish torpedo and including the submarine, aeroplane, and hydroplane, follow parallel paths of development in so far that they are analogous to that of nature. The most modern types of ships and of dirigibles which are abnormal, because unlike nature they are volume for volume lighter than the element they move in, are constantly being improved and increased in efficiency as regards speed and powers of defence and offence.

Within the limits of a review article it would not be possible to indicate in what way the constant improvement in every direction of sea and air craft is taking place, it is sufficient to indicate in a short general way in what progress consists rather than by what steps it has been attained. And the object in view here, after tracing the three phases of sea power, culminating in the now compound force which it has become, is to draw certain conclusions as to what sea power, as understood till recently, has lost in one direction and gained in another by the advent of sky power. Further to inquire what influence the latter will have on the offensive power of a fleet and how far it will affect the security of the kingdom, not so much by wholesale invasion as by costly and damaging external attacks, from which these islands have hitherto been immune, on account of the navy and the nature of the coastline.

The best coastline for a country having sea frontiers is one that gives the largest amount of sea access practically available for purposes of commerce and purposes of defence; the

two conditions are hardly reconcilable, for while access can hardly be too good or too large for commerce, it may be so for convenient defence except at inordinate cost. The best, perhaps the ideal condition of things for a country placed as England and France are, is a compromise, that while providing for, and satisfying the reasonable demands of commerce, will equally meet the exigencies of naval defence. Such a sea access is provided by an indented coastline, long in proportion to the area of land, insular or continental, of which it forms the frontier, provided at convenient distances at the mouths of rivers with sites for commercial harbours and docks of the largest size, and at larger distances apart by landlocked harbours suitable for naval bases and stations. The length of coastline, separating such trading ports and naval bases, should be either steep, rocky and inaccessible, or shelving, and accessible only to craft and barges of the smallest class. The coastline of England approaches very nearly to the ideal condition, it is well adapted to purposes of commerce, and until now has been easily capable of defence by an adequate navy and large margin of sea power standard.

It is possible to embody the conditions mentioned above in a "figure of merit formula" * but the discussion of it would be out of place here, and the facts are the important matter.

If we consider the bearing of the advent of sky power in relation to our sea frontier, it is obvious that our topographical advantages and those of other countries similarly situated must be distinctly reduced. Because lengths of coastline, hitherto inaccessible to an enemy's ships, have now suddenly become so, to aircraft, and portions of our sea frontier which have served a convenient purpose for watching the foe will henceforward not only have to be jealously guarded for their own sakes, but also guarded and defended throughout their length against the incursions of the enemy's aircraft, aeroplanes which may disclose to him our strategy, or dirigibles destined to wreck our cities. Coasts inaccessible to ships must be watched by air craft. The first and most noticeable result of the advent of sky power upon the old practice of sea power is its tendency to equalise defensive conditions (in the wide sense of the term) as between insular and continental powers.

A writer in the *Nineteenth Century and After* observes that those who first saw the Channel flown by an aeroplane, though they may not have realised it, were assisting at the obsequies of Great Britain's sea power. And in a subsequent issue of the same review it is suggested that in a few years probably the whole nature of sea power and its outward manifestations, commercial and defensive, will undergo an entire change; in short, the writer

* See 'The Estimation of Naval and Sea Power Standards.'

observes that the day of sea craft is drawing to its close, and will be displaced by air craft before many years have passed, except for certain very limited and unimportant purposes.

It is proverbially unsafe to claim the prophet's mantle unless you know or possess the equivalent faculty of a penetrating imagination such as that of Mr. Wells, who portrays for the present the yet afar off real but possible; a gift not to be confounded with the entertaining fancies of a Jules Verne capable of plausibly bestowing on the impossible and unreal a seeming existence. But while bearing this caution in mind, we must remember that it is not all guesswork here. Science has progressed vastly in theory and in practice since Dr. Lardner's day, for while on account of its repeated achievements we might hesitate even verbally to commit ourselves, as he did, to the perpetration of ridiculous and impossible tasks in certain events, lest their realisation and consequent failure of our predictions should compel us to eat at least our words—yet while making us wary and prepared for surprises, science enables us, as it never did our predecessors, to define within any region surveyed the limits of the actual possible, the conveniently realisable, and the useful practical.

For these reasons, and the views that many years' association with engineering have formed, the writer is unable to accept the conclusions above referred to, so far as they predict the gradual disappearance of ships from the sea as a means of transit for seaborne commerce or of battleships as weapons for national defence. On other grounds he entirely agrees as to the far-reaching influence of sky power and the paramount necessity of establishing a great fleet of air craft as an adjunct to the navy, a necessity the present Ministry seem incapable of grasping.

Previous considerations, very briefly alluded to, lead to the conclusion that science and practicability both impose limitations upon the unrestricted development of either sea or air craft, for science is the interpreter of those laws of Nature which determine the limits of speed in ships and of displacement and of plane area in air craft. Thus because the resistance of a fluid to a body moving through it increases at a rate vastly exceeding the increment of speed it so places a natural and financial restriction (the cost of fuel) on unlimited speed in ships. Similarly the increase of pressure with depth limits the capabilities of the submarine, and the small density of the atmosphere compared with that of the ocean soon places an impassable barrier in the way of the development of dirigibles and aeroplanes as weight carriers because of the unwieldy dimensions and consequent displacement which the capacity to carry much weight would necessitate.

As regards improvements to be expected in ships. These have probably approached near to the practical limit of displacement,

and no great increase in size is to be looked for; improvements may be expected in the direction of increased strength and stiffness as the result of new steel alloys used in construction. Changes in propulsive machinery will involve, if not the entire abandonment of steam in favour of the internal combustion engine using heavy oils such as the Diesel motor, at least, in large ships, the gradual displacement of triple or quadruple expansion reciprocating marine engines by triple or quadruple expansion steam turbines of the Parsons or other type. It is yet too early to speak with confidence as to the prospects and practicability of the application of the turbine method to internal combustion motors. The improvements in submarines, to which accidents still occur with lamentable frequency, will be in the direction of greater reliability, improved speed and more perfect manœuvring capacity.

As to air craft, these are still in infancy though their future for naval and military use is assured. Dirigibles, in which there is ample room for improvements, will be rendered more staunch and reliable by having their structural rigidity increased, necessarily low in consequence of the combination of extreme lightness with enormous displacement. The attainment of the desired quality is elusive and difficult to secure, as not only the designer's engineering skill but that of the metallurgist, to whom he looks for a suitable material for the framework, is involved. The manœuvring capabilities arising from the power to rise or fall quickly and with safety and to steer vertically or horizontally will also unquestionably be improved, as will also their motive power and general handiness if we may judge from the attention the dirigible is receiving. Aeroplanes are being improved daily and rendered more reliable and safe; the progress that will be made will probably follow Nature more closely, and must result in some reduction of the motive power necessary to first lift, and then drive them.

In the absence of data on the power developed during the flight of birds (they may be available), it looks as though the h.p. developed by the aeroplane, especially of the monoplane, were excessive, when its wing area and weight are compared with that of, say, a rook or a crow. When the resistance that a single feather opposes to motion through air and its sustaining power is considered, one is tempted to inquire whether the material, multiplicity of such units, and the method of their assemblage on the wing skin, has not as much to do with the facility with which a bird sustains itself as its motive power or automatic control.

One may therefore not unnaturally look for some considerable change in the method of constructing aeroplane wings by which,

while the sustaining power is increased, the power necessary to its exercise is reduced. The aeroplane is a much more perfect automaton than Nature's parachute, the flying fox or flying squirrel. And in the method of automatic control and manœuvring power it is getting much closer month by month to the other natural types, to wit, the bird and bat. Reliability, automatic control, safety, and the capacity to sustain lengthened flights of many hours' duration are the great desiderata of aeroplanes and allied machines such as the hydroplane, and with their acquisition the importance of sky power as an ally of naval power is manifest.

From what has been said it is obvious that the influence of the newer power on the older will be both far-reaching and searching, and its effect lasting. Generally the opinion may be advanced, that the total effect will not be so much to cripple sea power and to alter its outward aspect, as to enlarge its functions by directing its efforts to fresh ends; provided always that sky power is duly recognised in time as an ally and henceforward a necessary adjunct of sea power. On the one hand the offensive capabilities of fleets will be increased and the effectiveness of blockades extended by the enlargement of the sphere of their operations. On the other hand, fleets will suffer a diminution of their defensive power in regard to coast protection, since lengths of coast, hitherto easily watched, whose natural features constituted their best defence, will be liable to attack and incursion by air craft at most points. Air craft need not be numerous to do a vast amount of damage, to attacks from which explosives dropped by ships will themselves be liable.

The deductions to be drawn and enforced are:—

(1) That sky power tends to equalise the conditions of warfare as between naval powers of the insular and continental type, because the former are now vulnerable at coastal points where they were immune from attack.

(2) That sky power is a necessary ally of sea power, that by it the capacity for offence of the latter is increased, because while the effectiveness of blockades can be enlarged and perfected, the scope of operations outside an enemy's ports may by air craft be extended inland: on the other hand the risk to a blockading force is increased.

(3) That compared with a continental sea power an insular one is most adversely affected, for while the independent action of its squadrons is ended, its immunity from attacks, where due to the topographical nature of the coast-line, is also ended—the loss or diminution of two unique attributes of insular defence are not compensated for by enlarged capacity for offence against the territory of a continental enemy.

(4) That as fast cruisers are the eyes and ears of a battleship squadron, so aeroplanes will become those of

cruiser and battleship squadrons, and in an increasing degree as their capacity for sustained long flights is developed.

(5) That with advent of air craft into naval warfare the number of officers on battleships and cruisers engaged in operations off shore should be *increased* so that the growing strain may be relaxed to which those conducting such operations are exposed on account of sudden surprises by air craft from above or submarines and torpedoes from below. The too long-continued strain of anticipating such attacks is likely *seriously* to affect morale.

(6) That the operations of a naval war may be so seriously hampered by a shortage of aircraft as to cause it to fail of its aims and so jeopardise the chances of a victory in battle or of the ultimate success of a campaign. Hence it follows that the sea power that stands to lose more by defeat than to gain by victory, is the one on whom it is most incumbent to adequately support its naval forces by a close alliance with sky power. Nations so placed should thus be in a position to bring to the assistance of their naval forces a sufficiency of those air craft that will mean so much in future wars.

(7) That following from what has been said in the antecedent deductions, the number of air craft required by a sea power should be somewhat in excess of the sea power standard maintained, more especially where, as in the case of a country possessing self-governing and other colonies and oversea possessions, squadrons and fleets are certain to be to some extent dispersed during a war. More particularly is a sufficiency of sky power necessary as an adjunct of sea power where a great seaborne commerce and mercantile marine has to be protected.

In view of the enormous importance, to warfare, of air craft, having regard to the long start certain Powers of continental Europe have of this country in the matter of numbers, we may well put to ourselves the question: Is our Government doing what is expected of it towards the adequate equipment of our forces naval or military with the latest necessary adjuncts of war? The answer, comparing both kinds of air craft (especially dirigibles), must be deemed unsatisfactory; and the excuse that we are delaying because we are waiting for newer developments may catch us napping. At any rate it is not a policy the wisdom of which commends itself to our rivals.

Recognising these facts, we must also bear in mind the political situation, and reverting to the South African War, we may ask ourselves a second question, Are we always to rely on "muddling through somehow"? And we may incidentally remember that it was our matchless sea power that brought us through those difficult times. Twelve years have passed, but would the result of such a war, in face of our

lapsed sea power standard, and of the increase in the German navy, be the same to-day?

An onlooker, seeing the deliberation and half-hearted measures of our Government in making good our deficiencies, accentuated by observations (out of place if meant to be jocular) such as that of the Secretary of State for War, that night attacks of air craft on our great cities should be neutralised by extinguishing lights, so plunging them at once into a double gloom, physical and apprehensive, might well be excused, for believing the nation afflicted by Providence with that dementia of the doomed that precedes a downfall.

Is our position so unassailable as the Government would have us believe? Contrast with our action that of France and of Germany. Contrast too our sentiments regarding universal service, and our fitful patriotism during war periods with the steadfast patriotism in this respect of our rivals. Is the old British love of national life and of self-preservation declining? Are we entirely absorbed in social reforms that take the form of doles and the manufacture of nostrums and panaceas for the ills of the body politic? Reforms of a sound and wholesome kind and the blessings of peace are both vital matters. But even reforms may be purchased at a wrong time when sea power standards are being lowered and money grudged for air craft, when political conditions give cause for anxiety and danger looms on the horizon; and at too high a price, that of preparedness for war by which peace alone is secured. The cost of preparedness is high; it means a daily sacrifice to patriotism of something we hold dear, for patriotism that costs nothing or little is valueless, and national security, its objective, is alone purchasable by national self-denial in time of peace.

The elusive standards and half measures of a First Lord will not avail us, nor the spendthrift sophistries of a speculating Chancellor any more than will the delusive futilities of a sanguine War Minister. It will not be long before another historian must take up his pen where Mahan laid it down. The story that chronicler will have to tell will not be of sea power acting independently through simple instruments propelled by the winds of heaven on one element, the ocean, but of a new sea power closely allied with sky power, performing in two elements, sea and sky, complicated functions for mutual support in furthering a common end. That story will be of the nature of a revision, it will treat of the influence of sky power acting with sea power, upon history.

A. WHARTON METCALFE.

TRUE MEANING OF IRISH FREEDOM

THE NATIONALIST GRIEVANCE EXAMINED

By D. A. E. VEAL

THE Irish grievance, real or fabricated, is based upon an ancient and primitive right, the right to be free. The Irish complain that they are not free, but are kept in a humiliating condition of subjection under an alien race that cannot understand or sympathise with them.

For over a hundred years they have paraded this grievance before the British electorate, and by it the Home Rule Movement lives and moves and has its being. Thus we find Mr. Redmond stating as late as 1910, "I go to the British Parliament for one purpose alone, and that is to endeavour out of the necessities of the English parties to win freedom for Ireland." From this statement one conclusion only is possible—that freedom is a privilege from which Mr. Redmond believes Ireland to be excluded. Strange as this belief is, it is even more strange that there should be English people under the same impression.

Throughout the Home Rule Debates in 1912 Ministers appeared to be obsessed by the idea that Britain had injured the Irish by denying to them that precious boon of self-government which she had made a practice of granting to communities of the Saxon race in Canada, Australia, New Zealand, and South Africa. For example, towards the close of his speech on the Second Reading of the Government of Ireland Bill the Postmaster-General said:—

He would like to say a few words about the attitude of Nationalists during the South African War. For every violent speech made by honourable gentlemen from Ireland he could quote half a dozen violent speeches made before the establishment of Canadian self-government. It had been said that the only road to loyalty was through liberty. Members opposite thought that repression was the only means of meeting discontent. But did history record any graver blunder than when the American colonies revolted and Townshend and Grenville refused them liberty. The Townshends and Grenvilles of this world never died. They reappeared in every generation.

These words imply that the present situation of Ireland is analogous to that of the American Colonies at the time of their

revolt, or to that of Canada during the agitation for self-government which went on in the first half of the nineteenth century; that in all these cases the cause of disloyalty was the denial of freedom, and that the Unionists are the Townshends and Grenvilles of this generation who wish to shut out Ireland from participating in the delights of liberty.

In proceeding to examine how much justification there is for the grievance of the Irish, it is first necessary to have a clear idea of what constitutional liberty is usually held to consist. Constitutional liberty may be defined as the government of men by an assembly in which they are represented. It was in this sense that Edmund Burke understood it in that brilliant justification of constitutional liberty, his speech on American conciliation; after reading which Charles James Fox, most extreme of Radicals, was impelled to the conclusion "that representation is the sovereign remedy for every evil." And therein he voices public opinion generally.

Wales is one of many examples adduced by Burke in illustration of the beneficent effects resulting from the application of this "sovereign remedy" to different parts of the United Kingdom. He contrasts her miserable and chaotic condition in the days of her government by Lords Marchers with the transformation which took place, when, in the thirty-fifth year of the reign of Henry VIII., a complete and not ill-proportioned representation by counties and boroughs was bestowed upon Wales by Act of Parliament. On this transformation Burke comments thus: "From that moment, as by a charm, the tumult subsided; obedience was restored, peace, order, and civilisation followed in the train of liberty." The form which liberty here assumed, it is important to note, was that of representation not self-government. An authority on constitutional liberty to whom no one can take exception is the constructor of the constitution of the United States of North America, which is reckoned the most democratic State in the world. Like Burke and Fox, Alexander Hamilton held the requirements of liberty to be sufficiently met by representation, and he justified the union of the States by referring to the happy precedent afforded by the Union of England and Scotland. Wherefore he could not have held the change from Home Rule to representation to have implied in the case of Scotland a change from a state of freedom to one of subjection.

Now is the position of Ireland in the constitution of the United Kingdom in any way inferior to that of Scotland or Wales? If it is not, that is, if she is adequately represented in the Imperial Parliament, Ireland must be free as they are free; to quote the words of Mr. Balfour, "It (the present system) does give Ireland freedom in the only sense in which freedom has ever been used by

writers." The annual return, showing the number of Parliamentary electors on the current register in each constituency in the United Kingdom, discloses some illuminating facts in regard to the representation of Ireland. It shows, among other things, that the Romford division of Essex with 57,882 electors, Walthamstow with 43,601, the Harrow division of Middlesex with 43,412, and Wandsworth with 39,911, have each of them the same number of representatives, that is one representative, in the Imperial Parliament, as the Irish boroughs of Kilkenny and Newry with 1,676 and 1,777 electors respectively. "Romford has thirty-four times as many electors as Kilkenny, and thirty-two times as many as Newry, yet it only returns one member just as Kilkenny or Newry does." This effectually disposes, from the Irish standpoint, of any grounds for anxiety on the score of adequate representation. Ireland is the last part of the United Kingdom that ought to complain; and her grievance exists in imagination only.

Now a word about the colonial analogies cited by Mr. Samuel. First, there is that of the American Colonies. Their grievance was no make-believe; an attempt to tax them on the part of the Imperial Government in which they were not represented. This was a real infringement of the conditions of liberty as understood by Hampden, Pym, Fox, Pitt, and Burke, and in this respect the colonies were justified in resisting. The Canadian agitation in the first part of the nineteenth century was not altogether without just cause. The Act of 1791 which had divided Canada, for purposes of administration, into the two provinces of Upper and Lower Canada, left a preponderance of power to the Governor and Council nominated by him; and a very circumscribed portion to the popular assembly. The consequence was hot and incessant disputes between the representatives of Crown and people respectively, and according to a Canadian historian, "Charles I., with all his arrogance, never treated his parliament with greater superciliousness than did Sir James Craig, when Governor-General, on more than one occasion when the assembly had crossed his wishes."

Thus the cases instanced by Mr. Samuel afford no parallel to that of Ireland. The Canadians, like the American colonists, might with some cause complain of not being free, yet they never ceased to be loyal at heart. At the very time when the Home Rule agitation was at its height an event occurred to demonstrate this, being none other than the American War of 1813-15. "With the causes of the war," says Mr. Bourinot, "the Canadian people had nothing whatever to do, it was quite sufficient for them to know that it was their duty to assist England with all their might and submit to any sacrifices which

the fortunes of war might necessarily bring to a country which became the principal scene of conflict." A little over a century ago when the Empire seemed in peril the Canadians, who had just cause for complaint, loyally suspended agitation and stood shoulder to shoulder with their brethren at home against the common foe. A little over a decade ago, the Empire seemed again in danger, but the Irish Nationalists, who had no just cause for complaint, took advantage of England's weakness to increase their importunity; they talked of England's necessity being Ireland's opportunity, cheered British defeats, and did all that lay in their power to forward the cause of Britain's foes. Liberal politicians, confounding *post hoc* with *propter hoc*, say, "Look at the Canadians, they were given self-government, and see how loyal they are, therefore, if you give the Irish self-government, you will find that they will become loyal too." But the ground is cut away from under them by the circumstance that the Canadians were always loyal, even before they had Home Rule.

The Irish being free, it is singular they should have contrived to impose upon so many the deception of their subjection. But what is still more singular is that men enjoying the honourable status of freedmen should give themselves out as bondmen, that Sarah should personate Hagar. Is the explanation to be found in an analogy to the conduct of some misers, who represent themselves as poorer than they are in order to impose on the more generous minded and persuade them to give them of their bounty? It is not unlikely, and so the Irish represent themselves as lacking the freedom which they really enjoy, to delude British electors into giving them something more than freedom, national independence.

D. A. E. VEAL.

FINANCIAL BURDEN OF THE COMMON-WEALTH

By F. A. W. GISBORNE

THE position of heir to a spendthrift is one attended by certain inconveniences. The truth of a remark which certainly has no claim to originality is becoming painfully apparent to the Federal Treasurer in Australia. During the three years directly preceding the Government's advent to office, if it be allowable to borrow a well-known image from trans-Atlantic oratory, the rock of the national resources was flagellated with such extraordinary vehemence for the benefit of certain favoured classes that whole rivers of revenue gushed forth. Consequently the internal reservoir from which those streams were fed now shows signs of temporary exhaustion.

The abundant harvests garnered during the fat years have been spent in riotous living, and should the lean follow a period of fiscal dearth, it must be regarded as inevitable. It were, certainly, but bare justice that the generous prodigals who, during the last three years have flung abroad with such lavish hands the riches of Australia, should be compelled to face later the difficulties created by themselves; and not, as there seems reason to apprehend, after winning the shallow plaudits of the unthinking, by a display of vicarious generosity, be allowed quietly to stand aside and confine their efforts to embarrassing their official successors when engaged in the thankless task of restoring the reign of prudence and economy.

Certainly the stars so far have not fought for the Liberal Party in Australia. Perhaps a cynic might find consolation in the maxim, *fortuna favet fatuis*; but it brings cold comfort to the really capable politician. If the present Ministry's exceedingly precarious tenure of power should be confirmed by the results of the next elections, which cannot be long postponed, the adoption of a policy of retrenchment will be its first and most urgent duty. Pensions, grants, excessive salaries, allowances and expenditure on public works will have to be curtailed, or the back of the patient

taxpayer will be broken. Such a policy will win the unqualified approval of all thinking citizens, and those who are capable of perceiving that temporary self-denial is well repaid by permanent benefit. But unfortunately, where adult suffrage rules, the majority of the electors are not of the thinking class, and find the practice of self-denial irksome. They prefer shipwreck in the saloon to safe travelling in the steerage. The Goths may be at the gates; yet the clamour continues, not for arms, but for bread and games. And the fact is undeniable that, in spite of increased cost of commodities, diminished opportunities of employment and general want of prosperity, multitudes of people continue to delude themselves with the notion that, because the tax-collector does not actually knock at their doors and levy direct toll on their earnings, the burdens laid upon their wealthier fellow-citizens do not affect themselves.

The imposition of a graduated poll-tax rising from a fixed minimum with the necessities of the State, and payable by each elector under penalty of disfranchisement, would have a wholesome educative effect in every democracy, and would bring home to the mind of each voter the simple economic truth that individual loss must always in some degree mean also collective loss. At present members of the very large class of political free-thinkers now referred to regard the afflictions of their fellows with a considerable amount of complacency. The ordinary man is able to bear the misfortunes of his neighbour with great fortitude; if indeed he does not justify Montaigne's mournful cynicism by finding actual satisfaction in them. The dog trots jauntily alongside the overladen packhorse oblivious of the fact that, should the latter break down, his chances of a supper will be seriously jeopardised. In time, possibly, with a higher wisdom, humanity will learn a higher morality. There are few signs yet of the approach of that halcyon age foretold by a famous historian—the prediction, perhaps, rather of the rhetorician than of the philosopher—when “the rich shall not grind the faces of the poor, and the poor shall not envy the splendour of the rich.” Just now, it might be remarked, the fulfilment is somewhat in the reverse direction. The rich, under modern methods of government, are having their faces most painfully ground. In another decade or two, possibly, they may even have occasion to envy the splendour of the poor.

The foregoing reflections have been inspired by a cursory survey of the portentous Budget statement delivered by the Commonwealth Treasurer, Sir John Forrest, in the House of Representatives on the 2nd of October last. No attempt will be made to disintegrate and analyse in detail the serried masses of figures with which the speech is either illuminated or obscured, according to the quality of the student's mathematical talent.

Just a skeleton of the statement will be presented to the reader, whom I shall suppose, probably with accuracy, not to be a financial Magliabecchi. By way of prelude a few facts and figures relating to the recent progress and present position of the Commonwealth may be given; for evidently a country's revenue is not derived, as some modern and highly popular authorities appear to believe, from quite superhuman sources, but is the concrete result of the people's industry. To begin with, what is obviously the basis of a nation's prosperity, its human material. On the accomplishment of federation, which occurred on the first day of this century, the total number of white inhabitants of Commonwealth territory was computed to be 3,765,339. The present number is estimated to be 4,801,946, an increase roughly of about 30 per cent. The rate of natural increase during the entire period of twelve years has been 1·6 per cent. per annum, said to be the highest in the world for the period, Holland coming next with a rate of 1·4 per cent. yearly.

Granting the quality of these accessions to the population to be good—a rather material point—satisfaction may be derived from these figures. But equal satisfaction cannot be expressed concerning the increase of immigration. When it is affirmed with authority that at the rate of increase, both natural and that due to extraneous contributions, which has prevailed during the last twelve years, it will require exactly three times as long a term to double the present meagre population of Australia, one cannot but express a wish that the flow of healthy and vigorous life from the Old World to the New may, in an increasing degree, be deflected southwards. The Australian States, however, are showing encouraging signs of awakening to their responsibilities in this direction. A very good scheme for a working partnership between the Commonwealth and the State Governments has just been outlined by Sir John Forrest, under which in future it is proposed that the Federal Government should undertake to select and bring out suitable emigrants from Great Britain and other countries, while the task of providing land or employment for the new arrivals should devolve on the State authorities. A commonsense arrangement of this kind, judiciously executed, would undoubtedly prove both economical and effective. Lack of co-operation among the governing bodies in Australia with a view to attracting settlers, and a selfish and fatuous system of mutual belittlement, have hitherto greatly retarded settlement throughout the continent.

Turning to trade, the total value of the exports from the Commonwealth during the year 1912 was almost identical with that of the imports, the figures being £79,096,090 and £78,158,600 respectively. The great consumption of foreign goods, consisting

mainly, if we except textiles, machinery, etc., of luxuries, points convincingly to the prevailing prosperity. Wool valued alone at about £32,000,000 took, as usual, first place among exported commodities, frozen meat, butter, etc., bringing the total value of the pastoral products sent away to nearly nine millions more. In other words the Australian squatter and the dairy farmer maintain between them more than one half the entire export trade of Australia, a fact which politicians, far too deferential as a rule to city mobs, might well remember. Minerals, valued at almost £23,000,000, came next on the list, purely agricultural products, such as grain, fruit, wine etc., yielding the relatively small sum of £8,701,982. Evidently results show that the Federal Land Tax has not yet brought into existence the numerous body of yeomanry whose advent was so confidently predicted. Manufactured goods to the value only of the small sum of £2,250,000 were exported during the year. In its present stage of development the Commonwealth would certainly be the better off were large numbers of operatives now unprofitably employed in city industries, that are entirely dependent on indirect public contributions for their support, encouraged to betake themselves to the country and engage in more healthful and infinitely more profitable occupations. The growth of parasitic urban industries within the last twenty years in the great Australian cities has undoubtedly been attended by grave injury to the national physique, heavy economic loss and increasing political demoralisation. Tariff Reform is much needed to check this tendency.

Imperialists will observe with pleasure that over 61 per cent. of the total exports from the Commonwealth last year went to other portions of the Empire, while 71 per cent. of the imports came either from the Mother Country or some province within the Imperial pale. Trade, therefore, like sentiment, is moving towards Imperial unity.

The figures given will be sufficient to afford the general reader enough material on which to base his opinion as to the capacity of the inhabitants of the Commonwealth to bear taxation and to carry out great public enterprises. Attention will now be paid to the actual receipts and expenditure during the past financial year, and to the estimates for its successor. The very salient fact, however, must not be forgotten that the demands of the Commonwealth on the Australian householder constitute only one of three classes of public burdens which he has to bear. Local rates and State taxation, both onerous and continually increasing, represent the others. In addition, the voluntary annual tribute rendered from motives of charity by the great mass of fairly prosperous people comes to a very considerable sum each year. The average

Australian citizen, if not always, in regard to taxes at least, a cheerful giver, is certainly a very free one.

The total revenue received by the Commonwealth Treasurer during the year ending on the 30th of June last, amounted to a sum approaching £22,000,000. As usual, by far the greater portion of this amount was derived from the Customs and Excise, the receipts from these sources alone totalling £15,553,033, and exceeding those for the previous year by more than £1,000,000. The Post Office returned almost four and a quarter millions and the land tax brought in more than a million and a half, an amount about £200,000 in excess of what was obtained during the preceding twelve months. After subtracting the sum of £6,024,930 returnable to the States under the 25s *per capita* arrangement from the Customs and Excise receipts, the disposable Commonwealth revenue was nearly £16,000,000. It is noticeable, by the way, that in Mr. Fisher's financial statement last year the receipts for that following were under-estimated to the extent of nearly a million and a half, while expenditure was over-estimated by £1,175,000, the result being a nominal surplus of £2,653,223. The greater portion of this sum, however, as Sir John Forrest explained, is locked up in loans or trust funds, and is not immediately available; while the gigantic financial engagements contracted by the late government threaten even an overflowing treasury with depletion.

In regard to expenditure the Post Office, as usual, made the heaviest demands on the public purse during the year. This cormorant among State departments exacted the huge sum of nearly £6,000,000, of which over £3,000,000 went in salaries and allowances alone. That the scandalous waste which has for some years prevailed in this branch of the public service must soon be checked is a fact which is daily becoming more widely recognised. The disfranchisement of the whole body of State employees would indeed, in the general interest, be a most wholesome measure; for the influence of the Federal Civil Service vote is distinctly not of an elevating kind, nor conducive to public economy. Last year the people of Australia were the losers by the sum of about £1,500,000 through the crass mismanagement of the business of a department which, under efficient private control, would probably yield a profit without detriment to the public convenience. The ordinary military expenditure for the year came to £1,386,547, and that on account of the sea forces to £608,955; but over £600,000 more was spent on fleet construction. Including the cost of all new works connected with the military and naval forces carried out during the period, the total charge for the year on account of the former was £2,695,260 and of the latter, not including shipbuilding, £1,031,841. Thus defence expenditure

for the year reached altogether the very large amount of £4,331,498. Increasing charges in this direction have to be expected as more ships will require to be manned, more repairs effected, and more cadets enter the ranks of the national army. It is, therefore, imperative that economy should be exercised in other directions.

General works of public utility, such as in particular the Kalgoorlie-Port Augusta Railway, cost last year the sum of nearly £500,000. The expenditure for ornamental, or at all events distinctly non-profitable purposes, was yet more heavy. Electoral charges engulfed the astonishing sum of £133,278, and about £150,000 was required to keep the Parliamentary machine going. If legislative ability depended on cost the Commonwealth might undoubtedly claim to possess the most accomplished race of legislators in the world. Australia paid nearly £2,000 apiece for its Solons last year, excluding the fairly heavy additional charge entailed by the upkeep of half-a-dozen subordinate legislatures. The Federal Capital devoured about £300,000, and its voracity is steadily increasing. "White," and rather expensive, sugar cost the people £370,000 more in bounties—the indirect charge to the public owing to artificially increased prices was much greater—yet, as the Treasurer mournfully pointed out, the number of white men employed in growing and manufacturing sugar in Australia has declined from 33,700 in 1906, to 27,380 last year. Next to the politician, the sugar producer is probably the most expensive citizen the Commonwealth has to support.

Foreseeing a turn in the tide of national prosperity which in the nature of things can hardly be remote, Sir John Forrest estimates the total amount of revenue for the current year at £21,462,000, a sum less by £437,413 than that actually received last year. A falling off to the extent of over £600,000 in the returns from the Customs and Excise Department is expected, and also a reduced contribution from the land tax. On the other hand, an increased revenue of about £325,000 from the Post Office is relied on. Adding last year's surplus to the estimated national income for next year the gross amount the Treasurer expects to have received by the middle of next year will come to over £24,000,000. To satisfy the claims of the States, however, nearly a quarter of this sum will have to be deducted, leaving the Commonwealth an anticipated net revenue of about £18,000,000.

Without going into wearisome details, the proposals of the Treasurer for the distribution of the amount just mentioned may be outlined. State benevolence, to begin with, will levy a heavy toll on the fruits of the public industry. Invalid and old age pensioners, and applicants for maternity grants, are expected to secure for their share a sum considerably exceeding £3,250,000. Naval and military preparation combined, if the Treasurer's

estimate be verified, will absorb roughly, £1,000,000 more than the sum just stated; while fleet construction will require yet another £1,000,000. Charity and defence thus between them will swallow up very nearly half of the entire net Federal revenue, not counting the portion assigned to the States. The modest sum of £6,539,378 is assigned to that insatiable State Department, the Post Office, whose operations, according to the estimate, will result in a loss averaging about 9s. per head of population. The remaining £2,800,000 is allocated to public works, such as railway construction in South and West Australia, the Northern Territory (where £400,000 is to be spent in extending the trans-continental line southwards from Pine Creek), and Papua, additional works in connection with the Federal Capital, payment of interest, and the defraying of ordinary administrative charges.

The Treasurer, with ample justification, uttered a note of warning concerning the alarming increase of public expenditure within the last few years.* Unfortunately, just as a train travelling at a high rate of speed cannot be brought to a standstill at once without disastrous results, it is impossible for the most economical government in Australia to effect immediate retrenchment. Enormous liabilities have been contracted which must be met; but since the Australian Liberal Party, honourably belying to some extent its name, is the party of economy (differing thus very essentially from its English counterpart), should the present Ministry be entrusted, as is devoutly to be hoped, with the control of public affairs for the next six years or more, the career of profligacy initiated by its immediate predecessor may gradually be terminated. It is a very disquieting fact that, whereas in the year 1909-10 the total Federal expenditure under the five heads, payments to States, naval and military defence, fleet construction, post office and charitable grants, came to a little less than £15,000,000, next year it is anticipated the corresponding amount will be considerably over £21,000,000. To increase the gravity of the comparison it should be added that, three years ago, the States under the Braddon clause received over £8,000,000 from the Commonwealth, while next year they will get only some £6,230,000. Making allowance for this disparity, purely Commonwealth expenditure for the current year will be over £15,000,000, as against less than £7,000,000 three years ago.

Sir John Forrest's reference to the ominously suggestive

* For this year Commonwealth expenditure, including £3,080,000 to be raised by loan, is expected to be £27,195,223, State Revenue expenditure roughly £43,000,000, and State Loan expenditure £12,000,000. Thus the vast sum of £82,195,223 will be spent by the various Governments in a continent containing less than 5,000,000 people, or rather more than £16 per head.

fact that the increase of taxation per head of population in the Commonwealth during the brief period intervening between the years 1901-1902 and 1911-1912 has been at the rate of no less than 36 per cent. should impress the minds even of the most thoughtless and irresponsible. The very worst features of Australian fiscal policy is undoubtedly the iniquitously heavy burdens, both direct and indirect, imposed on the land. The Federal Land Tax alone extorts on the average the sum of £100 yearly apiece from 14,000 landowners, heavy State and Municipal taxation has to be borne also, and, indirectly, the tariff, by raising to an enormous extent the cost of all agricultural requisites, while not affording the farmer the minutest assistance, strikes at the heart of the first industry of the State. Such fiscal persecution of the most profitable class of citizens may, for a time, be good politics; but it is very bad policy. Sooner or later the malignity and greed of the socialistic trade unionists congregated in the great cities will bring on them a sharp penalty, and teach them the necessary lesson that no State can permanently flourish where one class of citizens, and that, though politically feeble, by far the worthier, is required to give, and another only to receive.

In view of the disagreeable fact that Commonwealth expenditure in the way of free pensions and charitable grants has risen from less than £1,500,000 to over £3,250,000 per annum, it is satisfactory to find in the Treasurer's statement a promise that, if the present Government remain sufficiently long in office, a comprehensive insurance scheme will be introduced, so that in future assistance shall be given to the needy without injury to each recipient's sense of self-respect, or injustice to the general tax-payer. The scandalous abuses that have lately come to light in connection with the bestowal of maternity grants strongly emphasise the need for such a change. The gate to universal pauperisation recently opened must be sternly closed, or the character of the Australian people will be deplorably weakened. It is quite time that the Federal Government should limit its activities as almoner, and increase them as mentor.

On the greatly augmented outlay for defence purposes during recent years it is not proposed to dwell. Criticism in this respect is permissible only to experts. Exception, certainly, has been taken by highly competent authorities to the policy of founding a distinct Australian Navy, affiliated to, but not incorporated with, the Imperial fleet. Whether wise or unwise, however, that policy must now be regarded as irreversible. That it will entail the bearing of an enormous and increasing burden by the people of the Commonwealth is an undeniable fact; but the possible evil consequences arising from dual control in time of war, or just before the outbreak of hostilities, constitute a more serious

cause for anxiety. Still the sentiment expressed by the Prime Minister in a speech delivered at the Town Hall in Sydney on the occasion of the formal assumption by the Commonwealth authorities of control over the first unit of the Australian fleet is both wholesome and patriotic. "There is going to be no politics," emphatically declared Mr. Cook, "so far as defence is concerned." Both parties are entirely at one in their support of the principles of universal and compulsory military service, and local responsibility in regard to naval defence. No objection whatever can be raised against the former except by ultra-Christian sentimentalists destitute of historical knowledge and political vision. As to the latter, the sceptic may at least find comfort in the reflection that a faulty policy strongly and consistently pursued is better than a theoretically perfect one followed with wavering and hesitation. So far, happily, there is no evidence that Australians will belie the hope confidently expressed by Admiral King-Hall on the occasion to which reference has previously been made that they will "always work in the most perfect unity in regard to the question of naval defence." The complete concord in this respect that now exists among politicians of all schools of thought in the Commonwealth at a time when party feeling on domestic questions has reached an extraordinary degree of acerbity is a happy augury for the future.

But while making liberal provision for safety from external attack, future governments in Australia, it may be hoped, will not neglect the equally important duty of fostering also internal peace. The fact cannot be ignored that, while united against all possible foreign enemies, the people of the Commonwealth at home suffer acutely from the evils attendant on a condition of industrial civil war. It is also indisputable that Australian legislatures in the past, frequently with the best intentions, have previously erred in their attempts to reconcile the combatants. There has been too much partial intermeddling in trade disputes, too little firm and well-considered action. The duty of a wise Government is not to persuade but to command; to make just laws and rigorously to enforce them. But the strange idea seems to have reigned in official circles in the Commonwealth that whenever two classes of citizens fall out, permanent peace and mutual good-will can be ensured by the simple operation of requiring the numerically weaker party to yield all along the line to the stronger, irrespective of all considerations of justice. Now and then certainly there is a pretence of compromise and mutual concession. But a disagreement between a traveller and a highwayman can hardly be satisfactorily healed by the simple method of requiring the latter to content himself with half the contents of the former's purse. On the contrary, there remains on the one

side the smart of undeserved loss, and on the other the craving of unsatisfied rapacity. The half-way house between fair recompense and immoderate extortion is no temple of concord. It may with confidence be stated that, in every case within the last half-dozen years where an Australian Government has intervened in a great trade dispute, it has used its power to the detriment of those who were resisting what they had reason to consider unjust demands. The law has consistently played the part of providence towards the big industrial battalions. The truth, too, of the most wholesome maxim—*ubi jus incertum ibi jus nullum* has usually been ignored. Injured employers of labour have, in most cases, found the law, when invoked for their own protection, extremely uncertain, as well as expensive.

To grapple, then, with the growing and menacing tyranny of socialistic trade-unionism, and to ensure every citizen, no matter how rich, equality with his fellows in the eyes of the law, must be among the chief objects of the new Federal Ministry's domestic policy. Justice is the one and only parent of conciliation; that simple truth, unhappily, has been too often ignored in dealing with industrial troubles, not only in Australia, but elsewhere. Peace imposed by the methods of Jehu can never prove lasting; nor are those of the second Aethelred more conducive to permanent tranquillity. The strong mind and the strong arm controlled by an equally strong sense of duty, must act in unison for the general good. To the present political representatives of the people of Australia and those, perhaps of the English people also, may be commended the final comments of Macaulay on Southey's fantastic proposals for the reformation of Society two generations ago.

It is not by the intermeddling of the omniscient and omnipotent State, but by the prudence and energy of the people that England has hitherto been carried forward in civilization; and it is to the same prudence and the same energy that we now look with comfort and good hope. Our rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment, by maintaining peace, by defending property, by diminishing the price of law, and by observing strict economy in every department of the State. Let the Government do this; the people will assuredly do the rest.

In those words is summed up, both on the negative and on the positive side, the whole duty of the legislator. If the principles they lay down be accepted without reservation by the future rulers of Australia, the inhabitants of the continent may well pursue their destiny "with comfort and good hope."

F. A. W. GISBORNE.

FEMALE SUFFRAGE

BY H. DOUGLAS GREGORY

As democratic institutions advance, the suffrage becomes ever more extended. During the past eighty years the franchise in this country has successively been modified to include men of the middle classes, artisans of the towns, and agricultural labourers. Within that period the balance of power has been transferred from the aristocracy to the working classes.

And now we are faced with a campaign for yet a further concession—universal adult suffrage. Not only the vote to every adult male, but also to every woman. It is the natural consummation of the previous trend of our political institutions. But because it is the natural termination, it does not follow that it is the one dictated by political wisdom. A definite conclusion as to this point can only be arrived at by an examination of our present already broad franchise system.

I do not think that the results of such an examination redound to the credit of our democracy. Whilst many members of the working classes have shown themselves fully qualified to exercise an influence over national affairs, it is unfortunately the case that a very large percentage—possibly even a majority—have shown themselves unfit for such a privilege. In consequence, we are ruled to-day by ignorant outbursts of sentiment and passion, fanned into a flame by the unscrupulous arts of the demagogue. Educated opinion is at a discount in national affairs; Conservative or Liberal administrations are returned to power on the untutored impulses of the moment. The man of no real convictions, of no intelligent appreciation of national problems, holds the supreme authority, and has to be pampered and cajoled that perchance the ship of State may escape total wreck.

This is the condition of affairs at the present time. But the epic of ignorance is artistically imperfect whilst a single member of the English race, not actually a pauper or criminal or insane, is prevented by law from joining in the mighty chorus of mob rule. And so it is demanded that, subject to the above reservation, the

franchise, that glorious badge of liberty, equality, and fraternity, shall be granted to every man and woman in these islands. Ignorance is no bar and no reproach—nay, rather is it a qualification of which the voter should be proud. Stupidity, frivolity, credulity, inexperience—these are no vices; they are the very marks of the elect.

Such would seem to be the premises on which the claim for universal suffrage is founded. But, seriously, can they be justified? Is it politic to multiply the already vast army of uneducated voters in this country by the practically indiscriminate addition to their ranks of those women over twenty-one years of age who like to claim the privilege? Is it not in the highest degree absurd that the affairs of the greatest empire the world has known should be at the mercy of a mob without the slightest training or experience in political questions? It is all very well to say that such experience can be acquired, but this does not happen. The history of democratic rule in this country shows only too clearly that the average voter has taken no trouble to acquire the knowledge necessary to enable him to discharge his responsible office with dignity and efficiency. But, despite his woeful lack of political ability he has hitherto shown no compunction in exercising his privilege. It is because I believe that, if the franchise were granted indiscriminately to every woman, the majority, however unfitted they might be for the concession, would avail themselves of the opportunity of recording their votes, that I am opposed to the wide extension of the suffrage demanded by the militants and their supporters. Such an innovation, I believe, would enormously increase the strength of the uneducated vote, with the most serious consequences to the nation. I am opposed to such a proposal altogether apart from the question of the fitness of women as women for playing a direct part in the political life of the country.

That question is, however, an important one. Untenable as I consider the position of the militants, I feel bound to recognise that the demands of the Moderate Party in the female suffrage movement stand in an altogether different category. A very strong case, indeed, can be made out for the Conciliation Bill. It is, on the face of it, a ridiculous anomaly that a cultured woman, paying rates and taxes, and possessing a real interest in political affairs, should be debarred from voting; whilst an ignorant, uneducated agricultural labourer, with no opinions worth mentioning, should, merely because he is a male, be allowed a voice in the government of the country.

Such a situation is utterly irrational, and it can be pertinently argued that the concession of the franchise to those women paying rates and taxes is a reform not only just in itself, but also

necessary in order to render our political system capable of strictly logical defence, and the better qualified therefore successfully to resist the extreme propaganda of Mrs. Pankhurst and her supporters. I confess that this line of reasoning in the past has appealed strongly to me, but further consideration has caused me to alter my opinion.*

The Conciliation Bill would undoubtedly remedy the anomaly that at present exists in our franchise system. But I am afraid it would only be the thin end of the wedge. The vote having been granted to every woman paying rates and taxes, it would be urged that, as in the case of males, the lodger's vote should be conceded. And the principle of female suffrage having been surrendered I do not see how this further development could be avoided. To such an extension I have always been opposed as calculated enormously to strengthen the uneducated vote in this country. I think it is evident that if this further concession did take place we should be within measurable distance of universal suffrage, with all its attendant evils of unbridled mob-rule.

It may be argued—I have myself argued in the past—that firmly to resist the offer of compromise contained in the Conciliation Bill is to perpetuate for the present an illogical system, with the consequent certainty of its complete overthrow in the future. I must admit that is a risk which has to be faced. Wherever a political institution is anomalous there is always the danger of complete and violent subversion, if all efforts at compromise and reform are rejected. Pre-eminently was this the case in the French Revolution; and of recent times the same dictum has been justified in this country in the controversy over the House of Lords. Reform having been refused, revolution has shown itself in the guise of the Parliament Act. In the light of such examples, it must be admitted that there is a very real danger of unqualified resistance to the principle of woman's suffrage terminating in violent overthrow. But as it appears to me that in this instance compromise would lead substantially to the same result, the danger, in my opinion, must be run.

The country is undoubtedly suffering at the present time from the legislation of the last century. The Radical doctrine that a man because he is a man is entitled to a vote was allowed to hold the field, with the consequence that this wholly false and vicious theory eventually triumphed. Hence the present anomaly. Had Lord Palmerston and the more moderate members of the Con-

* The excesses of the militants have not in the least contributed to this result. I recognise that their acts are those of a small body of fanatical enthusiasts, and are in no way representative. Such excesses are not, I think, a valid argument against female suffrage. The alteration in my opinions has come about solely through a wider examination of the whole question.

servative Party realised after the passage of the Reform Bill of 1832 that this measure could not be regarded as final; had they clearly realised that every citizen, however humble, provided he showed himself to possess a really intelligent knowledge of public affairs, was entitled to a direct voice in national life, the present situation might have been avoided. For had this fact been thoroughly recognised there can be little doubt but that John Stuart Mill's plea for an educated electorate would have prevailed. The possession of the franchise would have been dependent on a successful examination in elementary political and historical knowledge—to-day an Utopian ideal impossible of fulfilment, but in the 'fifties of last century a perfectly feasible solution of the problem. Had the possession of intelligent political knowledge been the criterion, there would have been to-day no objection to an extension of the same principle to women—nay, it would have been both just and desirable.*

But the opportunity was allowed to pass, and no purpose is to be served by bewailing our fate. We have to make the best of the situation as we find it. That being the case, our defence must rest on the plea that, however just theoretically the demand for a moderate extension of the franchise to women may be, practically it is not expedient. In political life justice on occasion has to play a subordinate part to expediency.

The anomaly exists, and it is expedient that it should continue. But it might be minimised. Without in the least curtailing the suffrage the influence of the ignorant vote might be diminished, and the absurdity of the contrast between the enfranchised but uneducated male and the unenfranchised but educated woman might thereby be lessened. If canvassing, and the right to carry the electors to the poll were abolished, there can be little doubt, I think, but that a big reduction would occur in the number of voters of no real convictions. These people are willing enough to lend themselves as pawns in the political game when no personal trouble or inconvenience is involved, but if they were left to take the initiative I believe a very large percentage would not avail themselves of the privilege. In this way could the existing franchise be rendered more logical.

Hitherto I have only considered this problem from the point of view of the extension of the suffrage. It has however a far wider aspect. Even if it could be regarded as certain that the passage of the Conciliation Bill would be considered as final, and

* It may be argued that the grant of the suffrage to women under these conditions would have led to their admission to Parliament just as surely as such a concession under present circumstances. I do not think so. The prevailing opinion in the country would have been so essentially moderate as to have made such a development unlikely.

that consequently no attempt in the future would be made to secure further concessions, I believe the measure would be fraught with most undesirable results. The vote once granted, it would be extremely difficult to resist a demand for the admission of women to Parliament, and for their right to practise as solicitors and barristers, and to serve on juries. The right of election to the House of Commons is a natural and inevitable sequel to the possession of the franchise, and the other developments must inexorably follow, once women acquired the power of legislation.

To these possible developments I have always been opposed. It seems to me that women are by nature unfitted for legal and legislative duties. They arrive at their conclusions by intuition rather than by logic. Now intuition in public life would, I should say, lead to some rather startling results. There would be no continuity, no law of precedent guiding and controlling public action. I cannot imagine a body of women framing a code ; still less acting upon it. The dictum would go forth—each case to be considered on its merits. Such a principle in operation would spell anarchy.

It is urged that women are particularly qualified to legislate on social questions—especially those affecting their own sex. I should be the last to deny the ennobling influence of women on public thought and manners, but I do not think they are fitted for *direct* action in the legislative sphere. Intuition and their natural bias in favour of mercy would blind their vision, and we should, I fear, see laws enacted of a contradictory and sentimental character. Our Radical friends already allow their emotions to get the better of their reason, and this tendency would be exaggerated a hundredfold with the entry of women into Parliament.

In the realm of local government indeed, women can play an important and useful part. Especially is this the case so far as the Poor Law is concerned. Here there is more scope for individual treatment, and those very qualities of intuition and of charity which constitute the charm of true womanhood will stand them in good stead, and make them valuable administrators. But in the field of national legislation those characteristics are hurtful ; sentiment leads to dangerous consequences ; the sternly logical mind is a necessity.

And women at the Bar or on juries would, I think, lead to a perversion of justice. Even in the hands of a male barrister of ability a male jury is often a somewhat contemptible sight. The manner in which blatant sentimentalism is frequently allowed to triumph over reason and common sense is perfectly disgusting. This feature of our jury system is particularly notorious in Common Law actions for personal injury. The plaintiff has only to be poor and to be faced by a wealthy defendant to win his case in

the great majority of instances. Now imagine the same male jury confronted by a female barrister of attractive manners and person. Could the result be doubtful for a moment? The lady would win, hands down. And the evil would not be rectified if half of the jury, in order to resist the blandishments of the fair counsel, were women. Their natural sympathy for the weaker side would lead the female members to agree with their male colleagues in a verdict for the plaintiff. And in those rare cases, where they would not do so, the difference of opinion between the two sexes would lead to a disagreement, and consequently to an abortive trial.

And this leads me to a consideration of the fitness of women to serve on juries. I believe they are totally unsuited for such work. As I have urged, their emotions would get the better of their reason, and sentimentality, already sufficiently a curse of our jury system in civil actions, would surpass all bounds. Mercy would not merely temper justice, as Shakespeare has it; it would overflow and subvert justice; it would, by its very excess, create injustice. Stern, logical, impartial justice, though apt on occasion to be harsh, is a safer guide—a healthier ground of action—than unrestrained mercy; unbounded sentimentalism. The latter can be positively vicious in the laxity of principle to which it may easily lead.

Again, women *in general*, with their lack of business or technical knowledge, are obviously unfitted for adjudicating upon the highly complex issues that are frequently presented in modern civil actions. Indeed the existing male jury of recent years has shown itself wholly inefficient in dealing with such cases, and in the opinion of some of our best legal authorities the time has come for rendering it compulsory for purely technical questions that are in dispute to be resolved solely by members of the judicature. Certainly women are not qualified to act under such circumstances.

This aspect of the franchise question has, as I have said, largely been produced by the natural progress of democracy. But the tendency of modern feminine education has also played a very important part. A total revolution has been effected. The days of the sampler have gone for ever, and, I think, rightly so. It is, however, a very moot point whether we have not advanced too much in the other direction; whether we have not lost sight of the fact that women are primarily fitted for motherhood, and all the attendant duties of domestic life. Culture, broad-mindedness, sympathy, and tact—in short, true womanliness—together form the great ideal; not elaborate technical knowledge in one or more departments of learning. Modern feminine education, to my mind, adopts the latter rather than the former course. I suppose

the *main* features of *mental* culture are comprised in the three subjects of literature,* history, and geography. In the case of boys such subjects as science and mathematics are primarily taught to fit them for commercial or professional careers in after life. They are deeply technical, and I think in no way absolutely essential to the possession of culture. Knowledge in those departments may increase culture; but ignorance of all save the merest elements does not in itself prevent culture. A man or woman possessing a real and intimate knowledge in the three subjects I have mentioned will be a cultured individual, although he or she may be lacking, so far as science and mathematics are concerned, in all except the absolute elements. But it is upon these technical subjects that such stress is laid in feminine education at the present day. The inevitable result ensues—woman becomes the competitor of man in those very departments of life for which primarily, with all deference, I think she is not by nature intended. I do not in the least wish to suggest that woman is inferior to man; that is an old, a vicious, an exploded fallacy. In many respects she is vastly his superior—in the realm of religion for example. But she is, in many ways, fundamentally different, and by reason of that difference is unfit for many of his pursuits, just as he is similarly unfit for several of hers.

I am strongly opposed to this highly technical education of women. As I have urged it is not necessary for the acquisition of culture, and it has produced several most unsatisfactory results. For example, the ideal of a University career has been erected into an educational demi-god. In the case of men, such a career is commonly but the stepping-stone to a professional life. With women this is not so. They receive their University training; they emerge highly educated, highly specialised, with a restless ambition to do something; they are not satisfied with the prospect of domestic life. They seek other spheres of activity, and consequently they overflow the professional market; † they enter the ranks of the educated unemployed.

Again, in consequence, women have largely ousted men from the subordinate posts in the business world. Why? Because this technical education has rendered girls dissatisfied with domestic life, and they have sought to turn their knowledge to practical advantage. It is urged that many women have no choice; it is their only prospect of obtaining a livelihood. The reluctance of the modern young man to marry is advanced as a

* Under this heading are found, as I understand the term, the classical works of fiction, poetry, biography, and *belles lettres*.

† It has been suggested that the College girl should enter business. But why incur all the expenses of a University training, if to become a secretary or a sales-woman is the sole ambition?

reason. But if the question be analysed, it largely resolves itself into this one point—the over-supply of women in the business world. They are employed because they work at a lower wage. Consequently the posts for men are fewer, and therefore the number of applicants greater. As a result the wage earned is lower, and men are therefore less able to afford to marry early than formerly. I believe that if women were paid at the same rate as men for work as efficiently performed, there would be an instant and an enormous decrease in the number of the former employed. Business firms would, under such circumstances, prefer to engage male workers. In consequence, in many cases a young man's prospects would be improved, and there would probably be a tendency towards earlier marriages. The necessity for female labour in the business world is largely an artificial one created by an over-technical education.*

I have dwelt on this aspect of the question, not because I hope for reform—the time has passed for that; we have entered so far on the slippery path as to make retreat impossible—but because I believe that the present clamour for the suffrage can only be understood, and a true realisation of the difficult, if not well-nigh hopeless task of successfully combating it, can only be gained by taking these facts into consideration. If the explanation of the movement lay solely in democracy, possibly widespread reform might avert the evil. A merely political situation might be transformed by readjustment. But it is very difficult thus to deal with a moral force such as education. A bent—as I cannot help feeling, a wholly mistaken bent—has been given to female education in this country. I do not see how at this late day the evil can be removed. The present educational conditions will continue; all that can be done is to see that no further advance in this direction is made. With such conditions in operation there will be a steady and unceasing tendency in the direction of the suffrage. The sole chance of salvation lies in the continued indifference of the great majority of women towards this question, and in the defeat of the pernicious democratic fallacy that all men are politically equal.

H. DOUGLAS GREGORY.

* In making the above remarks I do not wish to take up the attitude that under no circumstances should women enter the business world. There must of course always be a certain proportion who for one reason or another find it necessary or desirable to do so. And of course there are certain departments of professional or commercial work for which women are pre-eminently fitted, e.g. factory inspectorships. What I wish to emphasise is that at the present time the movement is carried much too far.

SOUTH AFRICAN FARMING IN THE FUTURE

By W. P. TAYLOR

"THERE is more wealth in one foot of the soil of the Union than all the gold and diamonds produced." These words emanated from Senator Colonel Byron. When uttered, they attracted the attention of the press and the farmer; but the statement appeared so obvious, that it was generally accepted.

Everything in this part of the great continent of Africa is recent, the only things of ancient origin being the land and the native, and perhaps I should add the bullock. The lightning speed of development that the mines have caused brought with it every modern device—machinery, electricity, chemistry, science and capital—and with these aids the vast holes are pouring out half the world's supply of gold, which supports the country's industries and upholds its credit. But the gold is being depleted, and though the day may be distant, it is the duty of our statesmen to outline a policy so that in full time agriculture may replace mining.

When you turn from all the latest devices of man, that are used to make mining a success, and see a Kafir and a bullock used as the means to develop the soil, it does not fill you with the same confidence as when surveying the industry of mining. The thought occurs to you, would the United States of America, the Dominion of Canada or the Commonwealth of Australia have developed as they have done had their lands been worked with a Kafir and a bullock? When one sees pictures of tractor ploughs ploughing an acre of ground in five minutes, and realises how necessary it is to plough the land deep and often, and when it is known that ploughing with oxen means waiting months and months for rain to soften the ground, it is certain that the old farming methods must be changed.

Recently various kinds of these ploughs have been introduced, the motor tractor using petrol or crude petroleum and the steam tractor using coal. And their success means much to Africa and the world in general. If through their means white men can

demonstrate their ability to compete with the native, it means that white men will be able to uphold the dignity and superiority of their race here, and that millions of acres will in the near future become developed.

The first advantage of deep ploughing on a large scale will be the moisture remaining in the soil instead of coursing over the present hard surface of the land to the sea; then, by arresting the moisture, and keeping it, crops will not be affected by drought. This alone will enable the white man to farm successfully against the coloured man, as the former's crops will practically be insured. Not that I contemplate a rivalry that will make the coloured man's position any worse than it is to-day; but if it is the desire of Anglo-Saxons to see their race hold its own and keep a population upon the vast table-lands of this beautiful healthy country, then their sympathies must go to those who can with intelligence and weapons of science fight the old system, that ensures its progress by means of polygamy and makes a profit through the depletion of the soil.

The returns from the Duke of Westminster's estate are eloquent testimony of the country's capabilities. The land was well selected, and this in all cases of settlement is the first and principal thing to do. The possibilities of similar settlements are untold. In parts of the country farmers are making handsome profits out of maize culture, but it has been proved in America that maize in silage makes men richer than in corn. Little has been done in growing roots for feed, but the returns from artichokes and sweet potatoes are so heavy in ordinary maize soil, that the day must soon arrive when these products will be grown upon such a vast scale that pigs and cattle will be exported to Europe.

The motive power for this great development can be found in the coalfields that cover vast stretches of this country. If motor spirit is required, it can be extracted from the coal; or perhaps it may be cheaper to derive alcohol from artichokes or sweet potatoes.

If at present people in Europe are not keen on South Africa, it has been so before. These outside furrows of the Empire must have their ups and downs, but when contrasted with the other furrows of the Empire, they will be found to have their points, and prejudices will soften, as the local sentiments of the country give way to the necessary intelligence that will come and aid it to take its place with the sister dominions.

W. P. TAYLOR.

A SPECIAL COURT FOR PATENT CASES

By F. W. BENEY

AT the beginning of the Michaelmas Sittings I pointed out in a letter to the *Times* the urgent necessity of establishing a special Court for patent cases, my contention being that these cases usually take some days in the hearing, and that in order to avoid the resulting hindrance to general work in the Chancery Division, where they are always tried, a special Court should be established. If this suggestion were adopted, it would be well to transfer to the new Court the jurisdiction over appeals from the Patent Office at present vested in the Law Officer of the Crown. The Law Officers have little time to spare for these appeals, and appellants often wait a year or two before their cases can be heard.

Since making the suggestion supplementary proposals have been put forward both in the *Times* and the *Law Journal*, the substance of which is that Trade-mark and Design cases should also be relegated to the suggested new Court, and that a certain class of arbitration should also be heard there. Trade-marks and Designs form a section of the law nearly always grouped with patents, and therefore might well come under the jurisdiction of this special Court, although they do not involve the same difficulties as to their technical details that patent cases present. Arbitrations, however, often involve the same technical and scientific questions incident to patent cases, and therefore there is good reason for embracing them in the same jurisdiction. The judge of this Court would soon acquire the experience and technical knowledge necessary for a ready appreciation of such details.

From the point of view of laymen as well as lawyers the adoption of my suggestion would be welcome. Patent cases and arbitrations take any time up to a fortnight at the hearing. This is due to the almost inevitable introduction of irrelevant matter; duels between counsel and expert witnesses on points of construction of documents.

In a recent case which occupied the Court for fourteen days altogether these duels were so frequent that before giving his judgment Mr. Justice Neville made the following pointed remarks.

I venture to assert that, if the last twenty years were taken and an examination made of the voluminous shorthand notes which have accompanied the patent actions tried during that period in their usual progress from the Court of first instance to the House of Lords it would be found that a very large proportion of their contents, I should say at least nine-tenths, is devoted to questions which, either openly or under more or less skilful disguise, are directed to eliciting the opinion of witnesses upon one or other of the issues in the case, or the construction of documents relied upon. The amount of time wasted by this irregular method of trying patent actions must in the aggregate be fabulous, though I gratefully recognise that matters have much improved during the last few years.

Although Mr. Justice Neville's observations would be admitted by everyone who knows anything of patent cases to be amply justified, he did not think fit to suggest any remedy, and it is quite certain that, in spite of his optimism, there is little hope of any improvement under present circumstances. The ordinary judges of the Chancery Division are rarely men of much technical experience, so that lengthy instructions from the experts in the witness-box are necessary: and given this state of affairs it is easy to see how opinions on the construction of the specifications of patents creep into the discussion also.

Now if the judge who presided had a wider experience of mechanical and chemical problems it is clear that he would be in a better position to check these irrelevant discussions, and a great saving of time would result without any injustice being done. There is a provision in the Patents Act, 1907, empowering the judge to sit with an expert assessor, but this provision is never taken advantage of, for the probable reason that the parties could not agree upon a man, and also because a dual Bench is an unsatisfactory tribunal.

The general public has little idea of the huge cost of many of these lengthy litigations. There was a case a few years ago which eventually went up on appeal to the House of Lords and in which the experts' fees (on one side only) amounted to £7,000, and I believe that this sort of thing is no uncommon experience. It does not tend to make litigation popular. Several of the witnesses who gave evidence before the Committee of the Board of Trade to inquire into the working of the Patent laws in 1900 said that the cost of many patent proceedings under the old law was absolutely prohibitive, and

that patentees and others would often prefer to lose their rights than become involved in such huge expenditure.

Now a judge who dealt specially with patents, arbitrations, etc., would soon be able to cut down the duration of the hearing to a minimum, thus saving costs, and, as he would sit continuously, there would be none of the tiresome adjournments so common at present in arbitrations with lay arbitrators.

The late Mr. Justice Mathew suggested the establishment of a special list in the King's Bench Division for commercial cases, and the Commercial Court is one of the most successful and popular legal institutions of recent years. Commercial causes come to trial quickly and are always heard by a specially appointed judge. There is no reason why the same success should not follow the establishment of a Court for patent cases with a procedure as far as possible on analogous lines.

The suggested new Court might be made a part of the Chancery Division or it might be a division itself, though the latter arrangement would involve greater divergence from the present procedure. In either case proceedings would commence with a writ issued as now but with the patent judge's name upon it, and the interlocutory chamber business would be heard in the judge's chambers. Petitions for revocation and appeals from the Patent Office would be heard in this Court, and the jurisdiction of the Board of Trade as to compulsory licences would be transferred to this Court also. As to arbitrations, these could be referred to this judge when the parties so desired, and as I have stated, this facility would most certainly be taken advantage of widely.

In view of the real need for this reform and the general approval it would command, the sooner it receives the attention of the Lord Chancellor the better.

F. W. BENEFY.

SIDELIGHTS ON COLONIAL LIFE

Canada's Harvest.

THE Canadian harvest has worked out in excess of all expectations. According to official figures received from Ottawa the total estimated wheat production this year is over 207,000,000 bushels as compared with 199,000,000 bushels last year, an increase of more than 8,000,000 bushels, or $4\frac{1}{2}$ per cent. Oats show a total yield of more than 391,000,000 bushels, barley over 44,000,000 bushels, rye more than 2,500,000 bushels, flax over 14,000,000 bushels, and mixed grains more than 17,000,000 bushels. Wheat, oats, barley and rye are above the average quality of the last two years, and potatoes and root crops show good figures of percentage of standard condition during growth. The heavy eastward movement of this season's crops is seen in the quantity of grain stored at the terminal and eastern elevators. During one week the quantity amounted to over 10,000,000 bushels of wheat as against 4,500,000 bushels at the same date last year; the quantity of all other grains at the same time was more than 10,000,000 bushels against 1,400,000 bushels last year. A feature of this year's harvest has been the greatly increased facility with which the railway companies have drawn out the crop.

One of the attractions at the Canada Land and Apple Show in Winnipeg, was a gigantic stock of golden grain, revolving continuously. It was twenty feet high and fifteen feet in diameter, and was composed of selected sheaves from the best produced in the greatest wheat country in the world, and from this season's unusually magnificent crop. The wheat this year has been reaped and threshed under conditions which permit of the least possible degree of deterioration, and the samples on view at the Land and Apple Show will probably set a new world standard.

Immigration Returns.

Canadian immigration returns reveal the fact that since 1900 the Dominion has received nearly 1,000,000 immigrants from the United Kingdom, a good proportion of whom have settled on the land, and nearly 900,000 from the United States, besides 650,000 from Continental Europe. The bulk have gone to the Western

provinces and Ontario, although Quebec has received a great number and the maritime provinces over 100,000. The total from all countries since 1900 exceeds 2,500,000, British Columbia getting about 10 per cent. In the United States it used to be reckoned that the economic value of an immigrant, taking old and young together, was \$800. It may thus be seen what an enormous amount of potential capital Canada has derived from this source during the last thirteen years. The amount of actual capital taken into the country cannot be accurately estimated, but each immigrant from America is believed on the average to have possessed about one thousand dollars in money or money's worth. Consequently these settlers have enriched Canada by not far short of a billion dollars since 1900, without taking into account the value of the American immigrant himself as a producer and consumer. And still the flow continues, and at an increasing rate. The first five months of the fiscal year show an increase of 17 per cent. compared with the same period last year, the total numbers arriving being 282,757. What this total means may better be understood when it is recalled that population sufficient to form a good-sized Canadian village reached the shores of the Dominion every day during the five months' period.

Ten years ago Alberta possessed a population of about 73,022. The chief towns were very small. Edmonton's population was 2,626, Calgary 4,097, Lethbridge 2,072, Medicine Hat 1,570 and Strathcona 550. The census of 1911 returned the population of the province as 372,919, or more than five times greater than in 1901, while Edmonton, with which Strathcona is now amalgamated, had 30,462 inhabitants, Calgary 43,736, Lethbridge 8,048 and Medicine Hat 5,572. Every continent and almost every country has contributed its share towards the upbuilding of the West. The days of the pioneer are almost over, but the real West is still the land of the toiler and the tiller, a country of beginnings, but also a country of achievements. Travelling across the prairies, whether by "rig," motor-car or train, one reaches continually new and growing centres of population. A small station is passed, some settlers' shacks, a real estate office, a store, a hotel, and one is fairly certain, should a return journey within a year be made, to find a full-fledged town, with its broad main street, its school-house, its church, banking facilities, even telephones, all complete, so swiftly does development follow settlement in the progressive West.

Agriculture in Schools.

An interesting development in the teaching of agriculture in Manitoba is the special course in elementary agriculture now

being introduced into some of the consolidated schools of the province, in addition to and as an extension of the work done last year in school grounds. The course covers a period of two years and is similar to that of the preparatory course at the Manitoba Agricultural College. The subjects include: Field husbandry, animal husbandry, dairy husbandry, horticulture, forge work, woodwork, building and construction, physics, chemistry, entomology, English, bookkeeping, arithmetic, botany, poultry husbandry, veterinary science, bacteriology, agricultural engineering and agricultural economics. The Department of Education pays half the expense of equipment for manual training courses and half the salary of the teacher.

Organisation in Ontario.

Apart from direct assistance given by the Government in the way of advice through the Department of Agriculture, farmers in the province of Ontario get a great deal of help from the agricultural organisations. The newcomer should lose no time in getting into touch with these societies which receive financial aid from the Legislature. An important organisation is the Agricultural and Experimental Union, with a membership of over 5,000 farmers. The co-operative system of the Experimental Union not only secures and imparts information, but enables the farmer to find out for himself, under the test of definite plans, how things are likely to work out on his own farm. Another important agency of the same character is the Farmers' Institute, one of the best agencies of education on advanced methods of operating the farm. Local meetings are addressed by speakers delegated by the department, and there is an annual convention of the leading institute workers, where various subjects are discussed.

Ontario Peaches.

Large consignments of Ontario peaches are again being sent to the British markets. Maturing as it does about this time of the year, the Ontario crop comes to Great Britain in between the South African, English and French peach seasons. So far as Ontario is concerned, this export trade is an extremely important factor. In the early days, when there was only the local market to supply, the area set to peaches was restricted. Later, when the markets of the West were opened, the supply was found insufficient, with the result that further lands were put under crop. At one time it was commonly supposed that the lands on which peaches could be profitably raised were confined to the Niagara district and the land bordering the lakes. When a few years ago the first shipments were made to Great Britain, the growers found they could make far larger profits. Good peach

land planted with trees can still be bought from £50 per acre, and unplanted from £12 per acre. Trees bear in the fourth year and last about fifteen years.

Nova Scotia's Expansion.

The industrial situation in Nova Scotia was never brighter than it is to-day. New Glasgow is sending out a call for more men. The Eastern Car Company is ready to proceed with the work of car building and is offering inducements for 500 additional workers. Only a year ago the Eastern Car Company was organised by the Nova Scotia Steel and Coal Company. The work of erecting a plant is now completed, and orders are already booked to keep the works constantly working for the next six months. That means an output of thirty cars daily. There are a hundred other going concerns in New Glasgow, and the streets of the town present the appearance of a very active community. The coal mines adjacent are being equipped with machinery that will permit of their output being doubled. The Federal Government is deepening the East River so as to give an easy and safe approach to the sea and thus give the town the advantages of water transportation.

Land Settlement in Rhodesia.

The proposals recently promulgated by the British South Africa Company for the encouragement of land settlement and immigration deserve wide and careful attention. For many years the Company has recognised that the prosperity of Rhodesia must depend upon the success and rapidity with which the many intricate problems concerned with land settlement and immigration can be solved. The work already done in this direction has secured a continuous growth of population, and the establishment of a prosperous and increasing agricultural community; but the Company realise that the time has arrived when these processes can be accelerated, and it is confirmed in this view by the interest these questions have lately aroused in Rhodesia.

The desire of the settlers in Southern Rhodesia to be made acquainted with the Company's policy in regard to the encouragement of suitable European settlers found formal expression in the following resolution, passed by the Legislative Council last April :—

That the Government request the Board of the British South Africa Company to prepare draft proposals for the encouragement of immigration to Southern Rhodesia, and that such proposals be published at an early date, and thereafter submitted for the consideration of the Council during its next session.

To this request the Company has given careful attention, and in providing from time to time for the increase of the Elected

Representatives, it has aimed at securing a responsible and stable expression of public opinion on matters which so closely affect the progress of the whole community. As regards land settlement, a spirit of mutual confidence and co-operation is especially desired, because the conditions of the problem in Southern Rhodesia present difficulties peculiar to the country.

Financial Basis.

At the present stage it would be premature to introduce into Rhodesia immigrants without the experience, the moderate capital, and the physique required to render them successful cultivating landowners. Again it would be unwise to stimulate land settlement without regard to such factors as the adequacy of the supply of labour, or of livestock in particular districts, and the markets available for an increased agricultural output. It is also necessary to bear in mind the exceptional conditions arising from the fact that the acquisition of the country, its development, and its railway system, are not due, as in other British Colonies, to the initiative or assistance of the Imperial Government, nor have public loans involving additional taxation been available for these purposes. The whole financial burden has been borne by the shareholders of the Company. In these circumstances everyone will recognise that the only basis for any extended system of development is the assurance of mutual agreement and confidence, and a frank appreciation of the claims of those who have found, and are still providing, the capital.

Past Expenditure.

A large expenditure has been incurred by the Company in Great Britain to bring home to settlers of the right class the advantages of Rhodesia. During the period between the census of 1907 and that of 1911 the European population of Southern Rhodesia increased by over forty per cent., and there is reason to believe that the rate of increase has not diminished since the latter date. The increase in those engaged in agricultural pursuits for the same period amounted to 82 per cent., or roughly 20 per cent. per annum. From 1908 to July 31st, 1913, 3,394 persons were established on lands obtained from the Company, their aggregate capital being £1,252,474. Various grants were also made to religious and educational bodies. The total area dealt with between January, 1908, and July, 1913, was 5,870,354 acres. It may also be noted that the prices paid for this land have been extremely low in comparison with those ruling in other Colonies.

A Larger Policy.

From time to time representations have reached headquarters

indicating that the country was not ready for an unlimited increase in the agricultural community. The directors have been mindful that too sudden expansion must be prejudicial both to established landowners and to new settlers, since it would involve undue competition as regards labour, the acquisition of stock, and the markets for produce. Nevertheless, having given full consideration to the resolution of the Legislative Council, the Company believes that the time is ripe for a larger policy.

They base this view upon the following considerations. The supply of farm labour may be expected to improve with the rapid growth of the native population which has resulted from the settled conditions established by the Company's administration. The increase in native cattle, combined with the ranching operations recently commenced by the Board, may be relied upon to provide supplies of improved stock for new settlers. The railway extensions contemplated by the Company will bring new areas within reach of markets, while the steady expansion of the white population, and the extension of mining developments will provide markets for the increasing produce. Finally, if a system of smaller farms, under more intensive and scientific cultivation, be adopted, with the assistance which the Agricultural Department can now offer, local supplies should displace imported foodstuffs with great advantage to the community; and, if an adequate output of high and consistent quality can be established, the Company can organise an export trade for certain classes of Rhodesian produce.

It will be recognised that a policy of land settlement, assuming the combination of these various factors, requires not only the capital, the land and the railway extensions—which only the Company can provide—but also, as previously stated, the hearty co-operation of the people of Rhodesia.

Sunny New Zealand.

It was an excellent idea of the New Zealand Government Meteorologist to make comparison in his annual report between the sunshine of New Zealand and the sunshine of England and Italy. Few New Zealanders realise how well off they are in the matter of sunshine. It is only when they go home and experience an English winter that they appreciate fully the brightness of New Zealand days. In the Old Country the hours of sunshine in the year average from 1,200 in the north to 1,600 in the south of England, whereas the average of Napier for the last six years is 2,501, and of Nelson during the last four years 2,467. But the most interesting feature of the comparisons is that Napier and Nelson are both sunnier than places in Italy, according to the averages furnished for that country.

Assisted Emigrants.

The very complete arrangements for the assistance and welfare of those who avail themselves of the facilities of reduced fares, which are now in force, will assure those who are looking towards New Zealand for a future home that their interests are being well looked after by the Department of Immigration in Wellington. Not only does the New Zealand Government grant a considerable reduction in the passage money to those who come within the scope of the regulations, but it also provides other facilities. Prior to the arrival of an immigrant ship in New Zealand, people in the Dominion who have relations amongst the assisted passengers are advised by letter or telegram enabling them to meet their friends on arrival of the ship, if desired. During the outward voyage, assisted passengers are divided into groups according to the part of the Dominion for which they are bound. On arrival each receives an envelope containing directions as to how to reach his or her destination. They are informed, also, that the Immigration Department will furnish any other information desired.

Settlement of Crown Lands.

Regulations to give full effect to the settlement of New Zealand Crown lands within gum districts, as provided for in the Land Laws Amendment Act passed last session, have been prepared and gazetted, and surveyors are now busily engaged in subdividing suitable blocks under these provisions. The operations under the Land for Settlements Act have been larger than in the previous year, an area of 50,819 acres being purchased at a value of £428,045. Ten associations, under the Land Settlements Finance Act, have been completed during the year, with a membership of eighty-seven, and an area of 11,354 acres valued at £185,899. Others are in course of formation. It is proposed to amend the Act materially to facilitate settlement and to make better provision for finance. The settlement of native land during the past year has been up to the average. Since the 1909 Act came into operation, the average of native land alienated, either by purchase or lease, has been about 500,000 acres a year. A Bill extensively amending the 1909 Act, in the direction of giving increased facilities for settlement of the remaining surplus native lands, while duly conserving the interests of the natives, will be introduced shortly.

Experimental Test Acres.

The Agricultural Department of the New Zealand Government has every reason to congratulate itself on the advances already made by the experimental test acres which it instituted in the prosperous province of Canterbury for the education of fruit

growers. A Government instructor directs the planting of these areas, and the demonstrations are attended by large numbers of orchardists who desire to get hints as to planting and pruning. Prospects for fruit growers in the Dominion are very good, and there are with every season evidences of increasing enthusiasm for cultivation and the care of trees generally. Many growers consider that apple culture will be one of the great industries of New Zealand in the near future. The Fruit Growers' Conference recently passed a resolution asking the Government to send a competent representative to America to collect information there concerning the import of fruit from New Zealand *via* the Panama Canal.

South African Immigration.

In the Estimates passed by the Parliament of the Union of South Africa last Session, provision was made for the expenditure of £10,000 for "Assisted Immigration and the repatriation of destitute Europeans." Regulations have now been promulgated showing that the Government is taking steps definitely to encourage the introduction of agricultural labourers and settlers on what may prove to be a considerable scale. The terms arranged are to afford a free passage to South Africa to European agriculturists and farming employees "on application by persons who are connected with the farming industry, and are *bonâ fide* residents of the Union." Such persons will be required to give certain undertakings, as, for instance, a guarantee that the immigrants introduced shall have three years' security of employment at a wage to be approved by the Minister, and a deposit of half the amount of the passage; the Government will bear the other half. The physical fitness and good character of the immigrants are to be established, before the passage is arranged, to the satisfaction of the High Commissioner for the Union of South Africa in London; and amongst sundry other provisions regulating the conditions under which such Government assistance will be given, is one promising immigrants who are introduced under the regulations and who may be desirous of engaging in farming operations on their own account, assistance "as far as possible in settling on the land." Applications for assisted passages must be made direct to the Secretary for the Interior at Pretoria.

South African Railways.

The report of the General Manager of the South African Railways for 1912 shows a substantial increase in the number of passengers and tonnage of goods carried, and, notwithstanding the large reductions in fares and goods rates, the total earnings show an increase of £142,258 over 1911. When all lines under construction at present and authorised are completed, the open

mileage of the railways will amount approximately to 9,318 miles, consisting of 8,757 miles of 3ft. 6in. gauge, and 561 miles of 2ft. gauge. The tonnage of public coal consigned to the Witwatersrand was 3,034,544, an increase of 14,437 tons over 1911, and the total tonnage of coal for export and bunkering was 2,092,496, as compared with 1,935,913 tons in 1911. Owing to the shortfall in crops in Rhodesia and Portuguese Territories, 249,630 bags of Union produced maize were despatched into those Territories during 1912. The drought experienced in maize growing centres affected to a large extent the total yield. Over £681,000 per annum have been granted in increments alone to the staff since Union, and generous leave and sick fund privileges are allowed.

Fiji Trade Statistics.

The value of Fiji imports from this country rose from £164,636 in 1911 to £184,862 in 1912. The exports to the United Kingdom in 1912 consisted almost entirely of copra. The Receiver-General tells us that the trade statistics in this Colony are compiled on the basis, not of country of origin, but on country of consignment, and it is not known from the statistics whether the goods are of British or foreign manufacture. The proportion of British manufactured goods to the total importations is exceedingly high in Fiji. This is due in no small measure to the fact that the bulk of the export trade is with the adjoining British countries of Australia and New Zealand; that there are no, or few, direct means of communication with non-British countries; that most of the trade is in the hands of British subjects; and that it is convenient to procure supplies from Australia. The bulk of food-stuffs, viz., flour, rice, biscuits, meats, potatoes, onions and dhol, will no doubt still be obtained from Australia, New Zealand, and India, owing to the proximity of the two former places and the cheap rates of freights ruling from the latter country.

But, as regards manufactured goods, the tendency is to obtain goods in the cheapest markets now offering in Germany, Japan, the United States, and Sweden. From the United States are being obtained agricultural implements, oil engines, boots, wooden ware, oars, handles, wood blocks, lamps, paper bags, petroleum products, resin, and turpentine. From Germany, sewing machines, common jewellery, perfumery, buttons, brushware, toys, pianos, beer, wirenails, fencing wire, lamps, wooden pipes, fancy goods, and common tools. From Japan, cheap undershirts, hosiery, camphor, brushware, silk and silk manufactures. From Sweden, matches (the safety kind, which is almost invariably used in Fiji) and calcium carbide. The decrease in exports in 1912, as compared with 1911, is attributable to the effects of the hurricane in January 1912.

Gold Coast Protectorate.

In his annual report for last year on the Northern Territories of the Gold Coast the Governor tells us that many years will elapse, and many changes will have to be wrought in the existing circumstances of the Protectorate, before agricultural enterprises on at all a considerable scale can be here undertaken with any prospect of financial success. The cost of transport of produce to the coast is prohibitive, and would devour the profits which any agricultural venture could reasonably be expected to yield. As an agricultural country, moreover, there are no grounds for believing that the Northern Territories stand possessed of any natural advantages which are not equalled or surpassed by the large undeveloped areas still available in the colony and in Ashanti. It is therefore anticipated that the economic progress of the Northern Territories will be slow, and for many decades to come it is probable the expenditure will continue to be out of all proportion to the revenue.

Ceylon Manufactures.

Ceylon is essentially an agricultural country, and its manufactures on any large scale are chiefly confined to the products of agriculture. Out of 1,112 factories in the island, 872 or 78 per cent. are tea factories, 76 coconut fibre and desiccating, 28 cocoa, and 41 rubber. Particulars of their output are given under "Exports." The preparation of coconut oil, copra, and arrack gives employment to a large number of the inhabitants, and so to a less extent does that of citronella oil and cinnamon.

In the Northern Province cigars are manufactured, but there is increasing competition from cigarettes. The Jaffna cigar, which is small, strong, and extremely cheap, is a favourite with the natives. Cigars from Dumbara in the Central Province have been manufactured on a small scale to suit the requirements of European taste. But no expansion of the tobacco industry can be expected without improved methods of growing and curing. Experiments in this direction are now being pursued. The manufacture of tiles and bricks is carried on in all parts of the island where suitable clay is plentiful. Rs. 3,595 worth of Ceylon manufactures under this head were exported in 1911. The weaving of a coarse kind of cloth in hand looms is carried on in the Eastern, Northern, and Central Provinces to supply purely local wants. The cloth, though strong and of hard wearing quality, is inferior in texture and finish to imported material. Lace-making is carried on in the Western Province.

In other districts baskets, tortoise-shell boxes, and combs are manufactured, and common earthenware for waterpans and cooking utensils to meet local requirements. Excellent furniture is made

in the Western Province, especially at Moratuwa. Jewellery of very fine workmanship is made in the Northern Province, but on a very small scale. It is a species of filigree work, prized by the Tamil population of the Island. The indigenous crafts peculiar to the Kandyan country, silver and brass work, the making of jewellery, earthenware, and painted pottery, lacquer work, and ivory carving, continue to receive encouragement from the Kandyan Art Association. Specimens of these articles are kept in the Kandyan Art Museum, where they can be purchased. Brass lamps, betel stands, plates, cooking utensils, and water-pots are made in the North-Western and Eastern Provinces and at Negombo in the Western Province. In the Mannar District of the Northern Province the drying and salting of fish gives employment to a large number of people. In 1911 nearly Rs. 323,000 worth of dried fish was exported from the Mannar District.

Unemployment in St. Helena.

Unfortunately, the benefits accruing from the fibre industry in St. Helena to the community in general and to the rural population in particular do not affect the town population. In Jamestown and the adjoining districts the unemployment problem remains still unsolved, and the resulting distress among the poorer classes has been as acutely felt as ever. The town labourer has to depend on casual jobs of work in connection with shipping as the only means of eking out a living, and when a bad year occurs and shipping is scarce, as in 1912, it can hardly be described as a livelihood at all. Until regular work is found for the town labourer no permanent improvement in his material and moral condition can well be looked for. For the last two years hopes in this direction have been centred on a proposal to revive the whaling industry, and though the scheme has not yet materialised, there are good grounds for believing that the coming year will see a start made. If these expectations are realised and the undertaking proves a success, the problem of unemployment in Jamestown, where it has always been most acute, will be in a fair way towards solution. With two industries in operation and providing employment in both town and country there should be no fear of a recurrence of that economic depression under which the colony has been labouring since the withdrawal of the garrison in 1906.

INDIAN AND COLONIAL INVESTMENTS

By TRUSTEE

THE influence of the Mexican trouble as a depressing factor in the Stock Exchange has afforded an example of the susceptibility of the markets to political events in all quarters of the globe. The news from Mexico and the United States has been scanned as anxiously as the reports from centres much nearer home, and all departments of the Stock Exchange have suffered keen anxiety as to the outcome of the affair. The competition of new issues has been, as usual, the other principal factor, big borrowing operations both here and on the Continent keeping the resources of the money market fully employed.

Amid further instances of important new loan issues being left mainly with the underwriters, an offer of a million and a half sterling of City of Montreal $4\frac{1}{2}$ per cent. Stock at $98\frac{1}{2}$ was a conspicuous exception, being largely over-subscribed. A considerable portion of the proceeds were appropriated for the redemption of Treasury Bills, the balance being required for the construction and extension of public works. The loan is repayable at par in 1953, and brings the total funded debt of the city up to £14,349,961, whereas the assessed value of taxable property for the current year is £127,195,415.

This new issue success was in its way quite a triumph for the

INDIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
INDIA.					
$3\frac{1}{2}\%$ Stock (t) . . .	£ 91,276,210	1931	$87\frac{1}{2}$	$3\frac{1}{8}\%$	Quarterly.
3% " (t) . . .	66,480,596	1948	$74\frac{3}{4}$	4	"
$2\frac{1}{2}\%$ " Inscribed (t) . . .	11,892,207	1926	62	4	"
$3\frac{1}{2}\%$ Rupee Paper 1854-5	..	(a)	$95\frac{1}{2}$	$3\frac{1}{8}\%$	30 June—31 Dec.
3% " " 1896-7	..	1916	81	$3\frac{1}{2}\%$	30 June—30 Dec.

(t) Eligible for Trustee Investments.

(a) Redeemable at a Quarter's notice.

INDIAN RAILWAYS AND BANKS.

Title.	Subscribed.	Last year's Dividend.	Share or Stock.	Price.	Yield.
RAILWAYS.					
	£				
Assam—Bengal, L., guaranteed 3%	1,500,000	3	100	74½	4
Bengal and North-Western (Limited)	3,000,000	8	100	155	5½
Bengal Doocars, L.	400,000	6	100	103½	5½
Bengal Nagpur (L), gtd. 4% + ½th profits	3,000,000	5	100	114½	4½
Burma Guar. 2½% and propn. of profits	3,000,000	4½	100	108	4½
Delhi Umballa Kalka, L., guar. 3½% + } net earnings	800,000	9½	100	196	4½
East Indian Def. ann. cap. g. 4% + ½ } sur. profits	1,721,949	6½	100	98½	6½
Do. do, class "D," repayable 1953 (t)	4,828,051	5½	100	119½	4½
Do. 4½% perpet. deb. stock (t)	1,435,650	4½	100	111	4
Do. new 3% deb. red. (t)	8,000,000	3	100	74	4
Great Indian Peninsula 4% deb. Stock (t)	2,701,450	4	100	100	4
Do. 3% Gua. and ½% surp. profits 1925 (t)	2,575,000	4½	100	99½	4½
Madras and South Mahratta	5,000,000	5	100	114½	4½
Nizam's State Rail. Gtd. 5% Stock	2,000,000	5	100	99	5
Do. 3½% red. mort. debs.	1,063,300	3½	100	77	4½
Rohilkund and Kumaon, Limited	400,000	7½	100	154½	4½
South Behar, Limited	379,580	5	100	103	4½
South Indian 4½% per. deb. stock, gtd.	425,000	4½	100	111	4
Southern Punjab, Limited	1,000,000	10	100	163½	6½
Do. 3½% deb. stock red.	500,000	3½	100	80	4½
West of India Portuguese Guar. L.	800,000	5	100	91	5½
Do. 5% debenture stock	550,000	5	100	100	5
BANKS.					
	Number of Shares.				
Chartered Bank of India, Australia, } and China	60,000	16½	20	59½	5½
National Bank of India	80,000	14	12½	39½	4½

(t) Eligible for Trustee investments.

issuing house, the Bank of Montreal, which has recently declared the usual quarterly dividend of 2½ per cent. for the quarter ended October 31 with a half-yearly bonus of 1 per cent., making a rate of 12½ per cent. per annum. There have been announced, by the way, some important changes in the bank's personnel. To succeed Mr. H. V. Meredith, who has been promoted to be president on the retirement of Mr. R. B. Angus, Sir Frederick Williams-Taylor, the well-known manager of the London office, has been appointed general manager of the bank in Montreal.

As we go to press, the prospectus of another Canadian municipal loan appears with the same issuing bank. City of Saskatoon 5 per cent. Consolidated Stock to the amount of £169,700 is offered at 93 per cent. The stock is redeemable at par on October 1, 1961, or, on six months' notice by the city, at any time within the preceding twenty years. This brings the city's total debenture debt up to £1,350,856 against an assessed valuation for taxation of £11,567,510.

An exceptionally cheap trustee investment has been issued by

CANADIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Regd. Stock . .	28,162,776	1930-50*	91	4	1 Jan.—1 July.
PROVINCIAL.					
ALBERTA.					
4% Debs.	411,000	1938	94	4½	1 June—1 Dec.
BRITISH COLUMBIA.					
3% Inscribed Stock .	2,045,760	1941	77	4½	1 Jan.—1 July.
MANITOBA.					
4% Regd. Stock . .	1,915,000	1950	90	4½ ⁹ / ₁₆	1 May—1 Nov.
NEW BRUNSWICK.					
4% Regd. Stock . .	450,000	1949	95	4½ ⁵ / ₁₆	1 Jan.—1 July.
NOVA SCOTIA.					
3½% Stock	650,000	1954	83	4½ ⁷ / ₁₆	1 Jan.—1 July.
ONTARIO					
3½% Regd. Stock . .	1,200,000	1946	88	4½ ³ / ₁₆	1 Jan.—1 July.
QUEBEC.					
3% Inscribed . . .	1,897,820	1937	78	4½	1 Apr.—1 Oct.
SASKATCHEWAN.					
4% Regd. Stock . .	1,082,192	1951	93	4½ ⁷ / ₁₆	1 Jan.—1 July.
MUNICIPAL.					
Calgary 4½% Debs. .	1,920,900	1930-42*	92	5½	1 Jan.—1 July.
Edmonton 4½% Debs.	641,400	1918-51*	92	5½ ¹ / ₁₆	1 Jan.—1 July.
Hamilton (City of) 4%	482,800	1934	88	4½ ¹ / ₈	1 Apr.—1 Oct.
Montreal 4%	2,400,000	1948-50	93	4½ ³ / ₈	1 May—1 Nov.
Quebec 4% Debs. . .	385,000	1923	96	4½ ⁵ / ₈	1 Jan.—1 July.
Regina 4½% Debs. .	382,500	1925-52*	91	5½	1 Jan.—1 July.
Toronto 4% Bonds .	300,910	1922-28*	94	4½ ⁵ / ₈	1 Jan.—1 July.
Vancouver 4% Bonds	121,200	1931	88	5½ ¹ / ₈	1 Apr.—1 Oct.
Winnipeg 4% Regd. .	2,500,000	1940	92	4½	1 Apr.—1 Oct.

* Yield calculated on latest date.

Western Australia during the month, a million sterling of 4 per cent. Inscribed stock being offered at 97, with a big bonus in the first interest payment. Despite these attractive terms, the public left 72 per cent. of the issue with the underwriters, but after the lists had closed a demand arose for the stock in the market and the price rose to a premium.

Among the principal events for the South African department of the Stock Exchange have been the issue of the annual report of the Consolidated Gold Fields of South Africa and Lord Harris's speech at the subsequent meeting of shareholders. The report shows that the realised net profit on the year's operations, after

CANADIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up per Share.	Price.	Yield.
RAILWAYS.					
Canadian Pacific Shares . . .	2,000,000	%			
Do. 4% Preference . . .	£15,173,563	10	\$100	230 $\frac{1}{2}$	4 $\frac{5}{8}$
Do. 4% Cons. Deb. Stock . . .	£32,725,383	4	Stock	93 $\frac{1}{2}$	4 $\frac{1}{2}$
Grand Trunk Ordinary . . .	£22,475,993	4	"	97 $\frac{1}{2}$	4 $\frac{1}{8}$
Do. 5% 1st Preference . . .	£3,420,000	nil.	"	23	nil.
Do. 5% 2nd " . . .	£2,530,000	5	"	103	4 $\frac{1}{2}$
Do. 4% 3rd " . . .	£7,168,055	5	"	95	5 $\frac{1}{2}$
Do. 4% Guaranteed . . .	£12,215,555	2 $\frac{1}{2}$	"	52	4 $\frac{1}{2}$
Do. 5% Perp. Deb. Stock . . .	£4,270,375	4	"	84	4 $\frac{3}{4}$
Do. 4% Cons. Deb. Stock . . .	£22,222,442	5	"	115	4 $\frac{5}{8}$
		4	"	92	4 $\frac{1}{8}$
BANKS AND COMPANIES.					
Bank of Montreal	160,000	12	\$100	236	5 $\frac{1}{8}$
Bank of British North America . . .	20,000	8	50	74	5 $\frac{3}{8}$
Canadian Bank of Commerce . . .	200,000	12	\$50	£20 $\frac{1}{2}$	6
Canada Company	8,319	50s. per sh.	1	22 $\frac{1}{2}$	11 $\frac{1}{8}$
Hudson's Bay	1,000,000	50	1	10 $\frac{3}{4}$	4 $\frac{3}{8}$
Trust and Loan of Canada . . .	100,000	8	5	6 $\frac{1}{2}$	6 $\frac{1}{2}$
Do. new	25,000	8	3	3 $\frac{1}{2}$	7 $\frac{3}{8}$
British Columbia Elec. Def. } trio Railway . . . } Prefd.	£1,200,000 £1,200,000	8 6	Stock Stock	116 $\frac{1}{2}$ 104 $\frac{1}{2}$	6 $\frac{1}{2}$ 5 $\frac{1}{8}$

NEWFOUNDLAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3 $\frac{1}{2}$ % Sterling Bonds . . .	2,178,800	1941-7-8*	84	4 $\frac{7}{8}$	} 1 Jan.—1 July.
3% Sterling " . . .	325,000	1947	74	4 $\frac{5}{8}$	
4% Inscribed Stock . . .	320,000	1913-38*	99	4 $\frac{1}{2}$	
4% " " " . . .	427,881	1935	99	4 $\frac{1}{8}$	
4% Cons. Ins. " . . .	200,000	1936	98	4 $\frac{1}{8}$	
3 $\frac{1}{2}$ % Inscribed, 1910 . . .	800,000	1950	90	4 $\frac{1}{8}$	

* Yield calculated on latest date.

writing off the depreciation, was largely derived from dividends received on investments, and, after deducting debenture interest and all outgoings, showed a balance to credit of £371,746, from which the dividends on the First and Second Preference shares, an interim dividend of 1s. per share on the Ordinary shares, English income-tax and French Government taxes were provided, leaving £110,404, which, added to £52,112 brought forward, leaves £162,516. In addition to this realised profit, the company's share investments, apart from any appreciation in value on properties and ventures, showed, on current market prices, and on an estimate of unquoted shares, a further large unrealised profit. Investments stood in the books at average cost or under, and all

AUSTRALIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
NEW SOUTH WALES.					
4% Inscribed Stock (t)	9,685,800	1933	100	4 $\frac{1}{8}$	1 Jan.—1 July.
3 $\frac{1}{2}$ % " " (t)	16,464,545	1924	93	4 $\frac{1}{8}$	} 1 Apr.—1 Oct.
3% " " (t)	12,475,800	1935	81	4 $\frac{3}{8}$	
VICTORIA.					
4% Inscribed, 1885 .	5,970,000	1920	100	4 $\frac{3}{8}$	} 1 Jan.—1 July.
3 $\frac{1}{2}$ % " 1889 (t)	4,987,250	1921-6†	94	4 $\frac{3}{8}$	
3% " (t) . .	5,211,331	1929-49†	77	4 $\frac{5}{8}$	
QUEENSLAND.					
4% Inscribed Stock (t)	7,939,000	1924	100	4 $\frac{1}{8}$	} 1 Jan.—1 July.
3 $\frac{1}{2}$ % " " (t)	4,834,334	1921-24†	93	4 $\frac{7}{8}$	
3% " " (t)	4,274,213	1922-47†	78	4 $\frac{1}{8}$	
SOUTH AUSTRALIA.					
4% Bonds	1,359,800	1916	99	4 $\frac{1}{8}$	} 1 Apr.—1 Oct.
4% Inscribed Stock .	6,281,500	1916-7-36†	98	4 $\frac{1}{8}$	
3 $\frac{1}{2}$ % " " (t)	2,517,800	1939	89	4 $\frac{1}{2}$	} 1 Jan.—1 July.
3% " " (t)	839,500	1916-26†	87	4 $\frac{7}{8}$	
3% " " (t)	2,760,100	1916 † or after.	73	4 $\frac{1}{8}$	
WESTERN AUSTRALIA.					
3 $\frac{1}{2}$ % Inscribed (t) . .	3,780,000	1920-35†	83	4 $\frac{3}{8}$	} 1 May—1 Nov.
3% " (t) . .	3,750,000	1915-35†	79	4 $\frac{1}{2}$	
3% " (t) . .	2,500,000	1927†	87	4 $\frac{5}{8}$	15 Jan.—15 July.
TASMANIA.					
3 $\frac{1}{2}$ % Insbcd. Stock (t)	4,156,500	1920-40†	89	4 $\frac{1}{2}$	} 1 Jan.—1 July.
4% " " " (t)	1,000,000	1920-40*	100	4 $\frac{3}{8}$	
3% (t)	450,000	1920-40†	81	4 $\frac{1}{2}$	

* Yield calculated on earlier date of redemption.

† Yield calculated on latest date of redemption.

‡ No allowance for redemption.

(t) Eligible for Trustee Investment.

shares were taken into account at prices below those current at the date when the accounts were made up.

The total market depreciation on investments amounted to £1,402,201, which was provided for by charging £1,000,000 against the reserve and £402,201 against the year's profits. The amount to credit of reserve now stands at £1,800,000. The directors recommended a final cash dividend of 5 per cent., free of income-tax, on the 2,000,000 Ordinary shares, amounting to £100,000, and making, with the interim dividend, 2s. per share for the year, leaving £62,516 to be carried forward.

There was some criticism from Preference shareholders of the directors' policy of paying so much on the Ordinary shares and at the same time drawing so largely on the reserve to make up depreciation. But at the meeting Lord Harris, the chairman, stated that in any recommendation the directors had made as to

AUSTRALIAN MUNICIPAL AND OTHER BONDS.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Melbourne & Met. Bd. of Works 4% Debs. }	1,000,000	1921	97	4½	1 Apl.—1 Oct.
Do. City 4% Deb. . .	850,000	1915-22*	97	6½	
Melbourne Trams Trust 4½% Debs. }	1,650,000	1914-16*	101	5½	1 Jan.—1 July.
S. Melbourne 4½% Debs. .	128,700	1919	100	4½	
Sydney 4% Debs. . .	300,000	1919	98	4½	1 Jan.—1 July.

* Yield calculated on earlier date of redemption.

AUSTRALIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Emu Bay and Mount Bischoff. . .	12,000	% 5	5	5½	4½
Do. 4½% Irred. Deb. Stock . . .	£130,900	4½	100	94	4½
BANKS AND COMPANIES.					
Bank of Australasia	50,000	17	40	113	6
Bank of New South Wales	125,000	10	20	39½	5½
Union Bank of Australia £75 . . .	60,000	14	25	54½	6½
Do. 4% Inscribed Stock Deposits . .	£600,000	4	100	98	4½
Australian Merc. Land & Finance £25	80,000	12½	5	6½	9½
Do. 4% Perp. Deb. Stock	£1,900,000	4	100	91	4½
Dalgety & Co. £20	154,000	8	5	6½	6½
Do. 4½% Irred. Deb. Stock	£511,037	4½	100	100	4½
Goldsbrough Mort & Co. 4% A Deb. }	£998,530	4	100	82½	41½
Stock Reduced					
Do. B Income Reduced	£669,543	5	100	93½	5½
South Australian Company £15 . . .	14,200	£4	£4	62½	6½
Trust & Agency of Australasia . . .	54,979	12½	1	1½	11½
Do. 5% Cum. Pref. Stock	1,000,000	5	100	97½	5½

NEW ZEALAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
5% Bonds	266,300	1914	101	5½	15 Jan.—15 July.
4% Inscribed Stock (t)	29,495,302	1929	93	4½	1 May—1 Nov.
3½% Stock (t)	17,543,932	1940	90	4½	1 Jan.—1 July.
3% Inscribed Stock (t)	9,659,980	1945	78	4½	1 Apr.—1 Oct.

(t) Eligible for Trustee Investments.

the distribution of profits they had never lost sight of the fact that it was their plain duty to safeguard the interest of the First and Second Preference holders. He laid it down very clearly that so long as they controlled the company they would always look upon the safeguarding of the interests of the Preference share-

NEW ZEALAND MUNICIPAL AND OTHER SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Auckland 5% Deb. .	200,000	1934-8*	106	4 $\frac{5}{8}$	1 Jan.—1 July.
Do. Hbr. Bd. 5% Debs.	150,000	1917	102	4 $\frac{1}{8}$	10 April—10 Oct.
Bank of N. Z. shares†	150,000	div. 15%	11 $\frac{1}{2}$	4 $\frac{7}{16}$	—
Do. 4% Gua. Stock†	£1,000,000	1914	98	5 $\frac{1}{16}$	April—Oct.
Christchurch 6% Drainage Loan. .}	200,000	1926	111 $\frac{1}{2}$	4 $\frac{1}{2}$	30 June—31 Dec.
Lyttleton Hbr. Bd. 6% .}	200,000	1929	109 $\frac{1}{2}$	5 $\frac{1}{2}$	1 Jan.—1 July.
Napier Hbr. Bd. 5% Debs.}	300,000	1920	101	5 $\frac{1}{16}$	
Do. 5% Debs.}	200,000	1928	101	5	
National Bank of N.Z. } £7 $\frac{1}{2}$ Shares £2 $\frac{1}{2}$ paid }	278,926	div. 13%	5	6 $\frac{1}{2}$	Jan.—July.
Oamaru 5% Bds. . . . }	173,800	1920	100	5 $\frac{1}{2}$	1 Jan.—1 July.
Otago Hbr. Cons. Bds. } 5% }	443,100	1934	103	4 $\frac{7}{8}$	1 Jan.—1 July.
Wellington 6% Impts. } Loan }	100,000	1914-29	103 $\frac{1}{2}$	—	1 Mar.—1 Sept.
Do. 6% Waterworks . . }	130,000	1929	113 $\frac{1}{2}$	4 $\frac{1}{2}$	1 Mar.—1 Sept.
Do. 4 $\frac{1}{2}$ % Debs. . . . }	165,000	1933	99	4 $\frac{9}{16}$	1 May—1 Nov.
Westport Hbr. 4% Debs. }	150,000	1925	97	4 $\frac{3}{8}$	1 Mar.—1 Sept.

* Yield calculated on earlier date of redemption.

† £6 13s. 4d. Shares with £3 6s. 8d. paid up.

‡ Guaranteed by New Zealand Government.

SOUTH AFRICAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
CAPE COLONY.					
4 $\frac{1}{2}$ % Bonds	£ 261,400	dwgs.	100	4 $\frac{1}{2}$	15 Apr.—15 Oct.
4% 1883 Inscribed . .	3,670,995	1923	99	4 $\frac{5}{16}$	1 June—1 Dec.
4% 1886 "	9,860,466	1916-36*	99	4 $\frac{5}{16}$	15 Apr.—15 Oct.
3 $\frac{1}{2}$ % 1886 " (t). . . .	14,891,244	1929-49†	89	4 $\frac{5}{8}$	1 Jan.—1 July.
3% 1886 " (t). . . .	7,483,240	1933-43†	79	4 $\frac{5}{16}$	1 Feb.—1 Aug.
NATAL.					
4 $\frac{1}{2}$ % Bonds, 1876 . . .	758,700	1919	101	4 $\frac{3}{8}$	15 Mar.—15 Sep.
4% Inscribed (t) . . .	3,026,444	1937	100	4	Apr.—Oct.
3 $\frac{1}{2}$ % " (t)	3,714,917	1914-39†	87	4 $\frac{7}{16}$	1 June—1 Dec.
3% " (t)	6,000,000	1929-49†	78	4 $\frac{1}{2}$	1 Jan.—1 July.
TRANSVAAL.					
3% Guar. Stock (t) . .	35,000,000	1923-53†	88	3 $\frac{9}{16}$	1 May—1 Nov.

* Yield calculated on earlier date of redemption.

† Yield calculated on later date of redemption.

(t) Eligible for Trustee Investments.

holders as of paramount importance, and the payment of their dividend as the first item to be considered.

Lord Harris dwelt on the large and disappointing depreciation of the last two years, but stated that he was not in the least daunted. He said that it seemed to him incontestable that the intrinsic value of the shares would be regained and the

revenue of the company must—he would not say this financial year, but he certainly thought shortly after—largely increase. After dealing with the numerous and world-wide interests of the company, he concluded by reiterating his “immense confidence that the revenue of the company must increase very considerably at no very distant date.”

While the aggregate output of gold from the Transvaal during October was higher than that for September it showed a decrease in the daily average and was less than that for August. In the following table the production month by month for several years past is shown :

Month.	1913.	1912.	1911.	1910.	1909.	1908.
	£	£	£	£	£	£
January . .	3,353,116	3,130,830	2,765,386	2,554,451	2,612,836	2,380,124
February . .	3,118,352	2,989,832	2,594,634	2,445,088	2,400,892	2,301,971
March . .	3,358,050	3,528,688	2,871,740	2,578,877	2,580,498	2,442,022
April . .	3,334,358	3,133,383	2,836,267	2,629,535	2,578,804	2,403,500
May . .	3,373,998	3,311,794	2,913,734	2,693,785	2,652,699	2,472,143
June . .	3,173,382	3,202,517	2,907,854	2,655,602	2,621,818	2,442,329
July . .	2,783,917	3,255,198	3,012,738	2,713,083	2,636,965	2,482,608
August . .	3,092,754	3,248,395	3,030,360	2,757,919	2,597,646	2,496,869
September .	2,999,686	3,176,846	2,976,065	2,747,853	2,575,760	2,496,112
October . .	3,051,701	3,265,150	3,010,130	2,774,390	2,558,902	2,624,012
November .	—	3,216,965	3,057,213	2,729,554	2,539,146	2,609,685
December .	—	3,297,962	3,015,499	2,722,775	2,569,822	2,806,235
Total * .	31,639,314	38,757,560	34,991,620	32,002,912	30,925,788	29,957,610

* Including undeclared amounts omitted from the monthly returns.

The decline in the native labour supply for the Rand gold mines was less than during September but it was nevertheless substantial, and it is to be hoped that some improvement will shortly set in. In this table we show the course of the labour supply since the beginning of last year.

Month.	Net Gain on Month.	Natives Employed end of Month.	Month.	Net Gain on Month.	Natives Employed end of Month.
January 1912 .	5,764	184,046	January 1913 .	8,774	200,090
February „ .	6,274	190,320	February „ .	7,572	207,662
March „ .	6,428	196,748	March „ .	71	207,733
April „ .	1,189	197,937	April „ .	2,309*	205,424
May „ .	4,108*	193,829	May „ .	7,780*	197,644
June „ .	5,335*	188,494	June „ .	8,550*	188,094
July „ .	5,569*	182,925	July „ .	17,852*	170,242
August „ .	3,814*	179,111	August „ .	12,019*	153,223
September „ .	1,623	180,739	September „ .	5,586*	152,637
October „ .	1,319	182,058	October „ .	3,755*	148,882
November „ .	4,823	186,881	—	—	—
December „ .	4,435	191,316	—	—	—

* Net loss.

There was a setback in the Rhodesian gold output during October despite the extra day in the month as compared with

SOUTH AFRICAN MUNICIPAL SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
	£				
Bloemfontein 4% . . .	763,000	1954	93	4 $\frac{3}{8}$	1 Jan.—1 July.
Cape Town 4% . . .	1,851,850	1953	96	4 $\frac{1}{2}$	1 Jan.—1 July.
Durban 4% . . .	850,000	1951-3	94	4 $\frac{3}{8}$	30 June—31 Dec.
Johannesburg 4% . . .	5,500,000	1933-4	92	4 $\frac{3}{8}$	1 April—1 Oct.
Krugersdorp 4% . . .	100,000	1930	91	4 $\frac{1}{8}$ $\frac{5}{8}$	1 June—1 Dec.
Pietermaritzburg 4% . . .	814,855	1949-53	92	4 $\frac{1}{2}$	30 June—31 Dec
Port Elizabeth 4% . . .	369,468	1964	93	4 $\frac{3}{8}$	30 June—31 Dec
Pretoria 4% . . .	1,250,000	1939	94	4 $\frac{7}{8}$	1 Jan.—1 July.
Rand Water Board 4% . . .	3,400,000	1935	92	4 $\frac{3}{8}$	1 Jan.—1 July.

SOUTH AFRICAN RAILWAYS, BANKS, AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Mashonaland 5% Debs.	£2,500,000	5	100	91	5 $\frac{7}{8}$
Rhodesia Rlys. 5% 1st Mort. Debs.) guar. by B.S.A. Co. till 1915. . . .)	£1,931,800	5	100	99	5
Trans-African 5% Debs. Red.	£1,845,300	5	100	80 $\frac{1}{2}$	6 $\frac{3}{8}$
BANKS AND COMPANIES.					
African Banking Corporation £10 shares	80,000	7	5	6 $\frac{1}{8}$	5 $\frac{1}{8}$
Natal Bank £10	148,232	8	21 $\frac{1}{2}$	2 $\frac{1}{2}$	7 $\frac{1}{2}$
National Bank of S. Africa £10 . . .	131,690	6	10	11 $\frac{1}{2}$	5 $\frac{3}{8}$
Standard Bank of S. Africa £20 . . .	309,705	14	5	11 $\frac{1}{2}$	6 $\frac{1}{8}$
Ohlsson's Cape Breweries	60,000	8	5	5 $\frac{1}{2}$	7 $\frac{1}{8}$
South African Breweries	965,279	17 $\frac{1}{2}$	1	2	8 $\frac{3}{8}$
British South Africa (Chartered) . . .	8,937,559	nil	1	3 $\frac{1}{2}$	nil
Do. 5% Debs. Red.	£1,250,000	5	100	104	4 $\frac{3}{8}$
Natal Land and Colonization	68,066	6 $\frac{1}{2}$	5	3 $\frac{7}{8}$	8 $\frac{3}{8}$
Cape Town & District Gas Light & Coke	10,000	nil	10	2 $\frac{1}{2}$	—
Kimberley Waterworks £10	45,000	5 $\frac{1}{2}$	7	6	6 $\frac{1}{8}$

September. The following statement gives the monthly returns for several years past :

Month.	1913.	1912.	1911.	1910.	1909.	1908.
	£	£	£	£	£	£
January . . .	220,776	214,918	207,903	227,511	204,666	199,880
February . . .	208,744	209,744	203,055	203,888	192,497	191,635
March . . .	257,797	215,102	231,947	228,385	202,157	200,615
April . . .	241,098	221,476	221,296	228,213	222,700	212,935
May . . .	242,452	234,407	211,413	224,888	225,032	223,867
June . . .	241,303	226,867	215,347	214,709	217,600	224,920
July . . .	249,302	240,514	237,517	195,233	225,234	228,151
August . . .	250,576	239,077	243,712	191,423	228,296	220,792
September . .	250,430	230,573	225,777	179,950	213,249	204,262
October . . .	247,068	230,072	218,862	234,928	222,653	205,466
November . .	—	225,957	214,040	240,573	236,307	196,668
December . .	—	218,661	217,026	199,500	233,397	217,316
Total . . .	2,409,546	2,707,368	2,647,895	2,569,201	2,623,788	2,526,007

The other minerals produced from Rhodesia during the month comprised 10,872 ounces of silver, 24 tons of lead, 18,894 tons of coal, 8,725 tons of chrome ore and 48 carats of diamonds.

CROWN COLONY SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Barbadoes 3½% ins. (t)	375,000	1925-42†	90	4½	1 Mar.—1 Sep.
Brit. Guiana 3% ins. (t)	250,000	1923-45†	80	4½ ³ / ₈	1 Feb.—1 Aug.
Ceylon 4% ins. (t) . .	1,076,100	1934	100	4½ ¹ / ₈	15 Feb.—15 Aug.
Do. 3% ins. (t) . . .	2,850,000	1940	79½	4½ ⁵ / ₈	1 May—1 Nov.
Hong-Kong 3½% ins. (t)	1,485,733	1918-43†	88	4½ ³ / ₈	15 Apr.—15 Oct.
Jamaica 4% ins. (t) .	1,099,048	1934	99	4½	15 Feb.—15 Aug.
Do. 3½% ins. (t) . .	1,493,600	1919-49†	89	4½	24 Jan.—24 July.
Mauritius 3% guar. }	600,000	1940	87	3½ ³ / ₈	1 Jan.—1 July.
Great Britain (t) . }					
Do. 4% ins. (t) . . .	482,390	1937	99	4½	1 Feb.—1 Aug.
Sierra Leone 3½% ins. (t)	729,848	1929-54†	89	4½	1 June—1 Dec.
Trinidad 4% ins. . .	422,593	1917-42*	93	4½ ¹ / ₈	15 Mar.—15 Sep.
Do. 3% ins. (t) . . .	600,000	1922-44†	80	4½	15 Jan.—15 July.
Hong-Kong & Shang-hai Bank Shares }	120,000	Div. £4½	£79½	5½	Feb.—Aug.

* Yield calculated on shorter period.

† Yield calculated on longer period.

(t) Eligible for Trustee Investments.

EGYPTIAN SECURITIES.

Title.	Amount or Number of Shares.	Dividend for last Year.	Paid up.	Price.	Yield.
Egyptian Govt. Guaranteed Loan (t) .	£7,102,800	3	99	89	3½ ⁵ / ₈
" Unified Debt	£55,971,960	4	100	97	4½
National Bank of Egypt	300,000	8	10	16½	4½
Agricultural Bank of Egypt, Ordinary	496,000	5½	5	5½	5½ ¹ / ₈
" " " Preferred	125,000	4	10	7½	5½
" " " Bonds .	£2,350,000	3½	100	77½	4½

(t) Eligible for Trustee Investments.

TRUSTEE.

November 24, 1913.

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INDIA AND EDUCATION

BY THE RT. HON. LORD SYDENHAM, G.C.S.I., G.C.M.G.,
G.C.I.E., F.R.S.

(Late Governor of Bombay)

It has been well said that the British people "only hold India on the tenure of continuous amelioration." To secure continuous advance in every direction leading to the moral and material well-being of all classes is the manifest duty of all Governments, however constituted, and the sole justification of their existence; but upon us the responsibility lies with special weight. We found an India distracted and wasted by internal wars, split into fragments and incapable of self-organisation. To enforce stable peace was the first condition of establishing a system under which law and order could be maintained, justice administered and national consolidation rendered possible.

The way to British ascendancy was long, arduous and critical. For all Indians who desire—as many do—to pass judgments upon existing institutions, careful study of their history from the period when the European Powers became involved in Eastern enterprise is essential. Such a study would provide a needed corrective of the misconceptions which find too frequent expression and would exercise a sobering influence upon the trend of political thought. Portugal, Spain, Holland, England and France have all contended for supremacy in the East, and the destinies of India turned upon vastly complex issues which were gradually determined by the interaction of great European forces. The short period of Portuguese prosperity in the East never recovered from the annexation of Portugal by Spain in 1580. Spain, at the end of the 16th century, claimed the monopoly of all trade with the East Indies and regarded the Indian seas as her territorial waters; but such a claim could not be sustained. Spanish enterprise was diverted to the Western

hemisphere, and the recognition of the revolted Dutch Republic by Queen Elizabeth involved Spain in a naval war with England which extended to Asian waters and was fraught with momentous results to India. The Dutch captured from Spain the original Portuguese possessions, founded their East India Company in 1603, two years after the grant of a Charter to the London East India Company, and endeavoured to establish a monopoly of the trade of the East as complete as that which had been claimed by Spain.

It was this Alliance between England and the Dutch United Provinces that gave the first impulse to British trade with India. The Kingdoms of Spain and Portugal disappeared as contestants for commercial supremacy, and the Dutch and English companies entered upon a long course of rivalry, which lasted during the greater part of the 17th century and involved three wars. The second of these wars found Holland in alliance with France one year after the establishment of a French East India Company, which was to play an important part in the affairs of India. The death of Aurangzeb in 1707 led to a climax in the period of disorder from which the East had long suffered acutely. Alike in Persia and in India, the great dynasties which had ruled for a century and a half were tottering to their fall. The Moghul Empire, which had maintained its outposts at Kabul and Kandahar was quickly shattered. Bengal fell into the power of an Afghan adventurer; a new dynasty was founded in Oudh, and anyone who could command a sufficient following might carve out for himself a short-lived kingdom. The Maratha bands, developing into devastating armies, over-ran Central and Western India and contributed powerfully to the general break-up of authority. When, in 1738, Nadir Shah, the successful soldier who had destroyed the Persian dynasty, swept from the north-western passes to the sack of Delhi and the wholesale slaughter of its inhabitants, the irrevocable ruin of the great Moghul Empire was practically complete, and ten years later Ahmed Shah from Afghanistan conquered the Punjab. The Indian people, in Sir Alfred Lyall's words, "were becoming a masterless multitude prepared to acquiesce in the assumption of authority by anyone who could show himself able to discharge the most elementary functions of government in the preservation of life and property."

This stupendous catastrophe—the greatest that India has yet experienced, because never before had authority been wielded on so great a scale as by the Moghul Empire in its prime—was due wholly to internal causes. That it directly and inevitably paved the way for political intervention by the European Powers is beyond doubt; but the question of supremacy remained to be decided by the operation of great forces in which India played no

part. Following Portugal and Spain, Holland also disappeared from the lists. A Danish and an Austrian Netherlands East India Company had died natural deaths. France and England at length stood face to face, and for a time the activity of the first was the greater. From 1744 to 1749 the two rival Companies were at war on the Indian sea board with results which were distinctly encouraging to the plans of Dupleix, who had initiated the policy of intervening in the quarrels of native Princes where French interests could be promoted. Thus inevitably arose the political rivalry which changed trade centres into bases for territorial expansion, and since trade needs peace and order as the primary conditions of its prosperity, such expansion continued, as Dupleix clearly foresaw that it must, after the French cause in India had been irretrievably lost. The confused warfare between the French and English Companies added to the prevailing distraction of India, but had no real effect on the final issue. Financial difficulties assailed the former, which from the first was closely associated with the French Government, while the latter was an association of traders not brought under the control of Parliament till 1773.

Upon the potentialities of British sea-power the fate of India absolutely depended, and they were governed by conditions racial and political which shaped themselves in seas and lands far away. The Seven Years' War, which began in 1756 and ended in 1763, was a triumph for the British Navy which, after ravaging the French coasts, won a brilliant victory in Quiberon Bay, crippling the naval strength of France and enabling the British conquest of Canada to be achieved with results infinitely important to the future of the Empire. In the War of American Independence, from 1775 to 1783, Great Britain without an ally was involved with France, Spain, Holland and her revolted Colonists, and was menaced by the armed neutrality of Russia, Sweden, Denmark and Prussia. The strain upon the national resources was intense; but the Navy remained undefeated, and rose in the Wars of the French Revolution and Empire from 1793 to 1815 to the summit of its power. The failure of the Navy during this series of international wars, in which it fought against the combinations of the great Maritime Powers, would have quickly reacted upon India, against which the last French naval effort was made in 1781. From the Peace of Versailles to this day, no Power has attempted to contest the command of the Indian seas, and the trade of India, now increased to vast dimensions, passes secure under the aegis of the British flag. I am sure that the growing commercial classes of India and the large number of Indians who depend upon the operation of sea-borne trade realise what this means to their vital interests.

Once again did French designs upon India take practical form. In 1798 Napoleon, dreaming of an Eastern Empire, led a great expedition to Egypt, where Nelson at the Battle of the Nile destroyed the French fleet, leaving the military forces isolated. After an abortive attempt to conquer Syria, the French Army, deserted by its Chief, was signally defeated in 1801 by a British and Turkish force under the walls of Alexandria before a contingent of 8,000 troops from Bombay could arrive upon the scene.

Secured by naval supremacy against the intervention of any European Power, it would have been possible for the British to proceed systematically to the subjugation of India; but this was not attempted or contemplated. By the occupation of Bengal, which soon followed the rout of the Nawab's forces by Clive at Plassey in 1757, the trading centre of Calcutta was expanded into a territorial possession dominating the vast plains and the great waterways that stretch north-westward for 1200 miles towards the Indus and the Hindu Koosh. Bengal had been ruled by foreigners during long centuries, and the capitals of the great conquering dynasties had been founded in the broad fertile regions watered by the rivers fed from the Himalayan snows. But never before had the gate of these regions been held by a Power which came by and drew its strength from across the sea. Henceforth, for 150 years, Calcutta was to be the centre of British government in India, and a new political era began, leading to the territorial ascendancy which, after the collapse of French rivalry, became inevitable.

The process of expansion went on intermittently during nearly a century before the peace of all India was at length secured, and circumstances over which the British exercised no influence helped to bring about the final result. In the year of Plassey, an Afghan army descended upon Delhi; but Ahmed Shah's Viceroy soon found that his dominion in the Punjab was challenged by the Marathas, who took Delhi and Lahore and reached the summit of their power. In undertaking the conquest of Northern India they had overestimated their capacity and the retribution was swift and summary. In 1760, Ahmed Shah with a large army from Afghanistan, retook Lahore, and moved south-eastward to the Jumna, heavily defeating Holkar and Sindia. The Peshwa made a great effort to retrieve his fortunes in Northern India, and at Panipat in 1761, the Marathas were routed in one of the greatest battles ever fought on Indian soil. The Maratha Power never wholly recovered from this blow, and though it remained formidable, symptoms of the same tendencies which had entailed the ruin of the Moghul dominion soon began to show themselves, and contributed to the final overthrow at the beginning of the 19th century. Ahmed Shah, unlike some

previous invaders, did not follow up his victory by consolidating his power, and the Punjab quickly lapsed into anarchy until the short-lived Sikh kingdom became established. In 1797, his successor Ziman Shah reoccupied but could not hold Lahore, and the series of Mahomedan invasions which had lasted for 700 years came to an end. All these events favoured the onward movement which was to lead the British from Bengal to the mountain frontiers of Afghanistan.

This sketch of a long and tangled chapter of history, incomplete as it is, will perhaps give some idea of the forces which brought about the conditions under which we now live in India. In the long period of wars frequently recurring during which British control was gradually built up, it may well be that each and every step cannot be justified; but at least the dispassionate student of that period cannot fail to realise that conquest for conquest's sake and territorial aggrandisement were not our objects. We were groping—at first perhaps blindly—after political stability. Stable alliances with Native States able to organise and maintain orderly government would have suited our requirements; but in the chaotic conditions which we found they were not available. Nor, till we reached the great mountain ramparts that separate India from Asia, were stable frontiers to be attained. That, when the period of expansion ended, one-third of India remained under native rule, and that innumerable States, large and small, should have been carefully preserved out of the welter of long racial and dynastic wars, enjoying security never previously known, is the best proof that our motives were never inspired by greed of territory.

Scarcely one hundred and fifty years have elapsed since it became certain that dominion in India lay open to Great Britain and not to France from whom it might have been torn after Trafalgar or after Sedan. During little more than fifty years, since the cataclysm of the Mutiny, have we been able, in the full security of peace, to devote ourselves to the great work of "continuous amelioration" throughout the vast territories which have passed directly under the Crown. During the years of storm and stress through which Great Britain passed between 1756 and 1815, the ever-growing responsibilities of the British people toward India may not have been realised. Full consciousness of our new and solemn duties would not be reached until peace reigned over the length and breadth of India. It found expression in the Queen's Proclamation of 1858, and it has broadened and deepened ever since. The Britain of Queen Anne was not that of the Great Queen-Empress, which again has changed materially in becoming the Britain of His Majesty King George V. and must continue to change. It is as unjust to attach importance to errors and defects

which occurred in days that are gone as it would be to dilate upon atrocities perpetrated under contemporary Indian rule. The one have long been as impossible as the other.

That dominion in India fell to a maritime Power was the certain result of causes operating through many centuries in India itself. That such dominion fell to Britain was not without certain advantages. The author of 'The Future of England' analyses the reasons of the position won by the British people in the world, and after dismissing various hypotheses he reaches the conclusion that they—first among the nations—wrested from the State the right of religious freedom and with it civil liberty. To this conquest he traces the rise of our gigantic industrial system. "England had shaken man's authority and founded freedom. Free England had shaken nature's authority and founded industrialism," to which the best workmen of Europe, fleeing from religious persecution, powerfully contributed. To the nation which led the world in securing human liberty and in turning the limitless resources of nature to the service of mankind fell dominion in India. In the century during which that dominion was established, there was no other nation nearly so well fitted for the first task of building up gradually, but surely, an orderly and a just Government. Who will say that any other nation would be better able than are we to carry through the second task—that of uplifting and welding the heterogeneous peoples of India into harmonious nationhood and of leading them to develop the natural resources of their great country?

This second task, in which we are now engaged and by success in which perhaps the historian of a distant future will mainly base his judgment upon our achievement, is proceeding steadily by various processes. Law, which never before our day was uniformly enforced, is a great, if sometimes a harsh, schoolmaster. And if a great system of law, devised with the best intentions, has led to a mania for litigation intensified by the gambling instincts of the East, it is nevertheless, a unifying force. Railways, telegraphs, the postal service, irrigation on a vast scale, even good roads are all playing their part in blending interests and breaking down social barriers. A nation in the modern sense could not be built up in India without railways which we have spread broadcast throughout the land. The English language, which is rapidly becoming the *lingua franca* of India, is another nationalising factor of great importance, and without it the "National Congress" would be practically impossible. The self-sacrificing labours of missionary associations of many kinds are providing examples of philanthropic service which can be helpful to Eastern peoples with national aspirations. The liberal system of local self-government which now exists supplies full oppor-

tunities for the harmonious working of all communities in the discharge of important civic duties. The enlarged Provincial Council provides higher training in the orderly conduct of affairs and brings together in Bombay twenty-nine Indian Members, widely representative of Indian interests, to decide upon all legislation and to discuss matters affecting the public welfare.

My Indian friends will perhaps think that all these and other means of nation-building are of minor significance compared with what is conventionally termed "Education," and undoubtedly the character and the acquirements of the young men and boys who annually leave the colleges and schools of any country are factors of extreme importance in relation to national progress. We have brought Western education into India, and the change was inevitably of the nature of an intellectual revolution not unlike the great Renaissance movement, which profoundly stirred European thought in the fifteenth century and helped to inspire the spirit of enterprise which was to bring the West into close contact with the East.

In England, the evolution of higher education was slow, and till recent years unorganised and not controlled by Government. Oxford and Cambridge were flourishing in the thirteenth century; but religious tests were only abolished in my lifetime, and these great Universities were not wholly freed from sectarian rule till 1871. Throughout the Middle Ages, the Church and the State strove for supremacy, and the latter, when at length victorious, claimed to assert unlimited authority over the religious thought of its subjects. It was, as I have said, in breaking down this authority that the English people led Europe into the paths of civil liberty. In later years, education, long conducted entirely by the religious bodies, became one of the most important functions of the State.

The first national grant for educational purposes was made by Parliament in 1832, and in 1843 the State gave financial aid to Training Colleges. The gross inefficiency of the teachers revealed by a Commission and the urgent needs for organisation led to the Education Act of 1870 which nationalised Primary Education. This and subsequent Acts up to that of 1902 established the free and compulsory system which now prevails. English Secondary Schools existed before the accession of Henry VIII. in 1509, and partly as a result of the Renaissance, 800 grammar schools were established in the following century, while most cathedrals had an attached school. These schools developed on lines of their own, some of them attaining distinction, while many were hopelessly inefficient. Great changes have been carried out in recent years, and though Secondary Education of the middle classes remains self-supporting, grants-in-aid are now made to enable schools to

provide free Secondary Education for the children of the working classes.

Under the Act of 1902, the clever boy or girl can generally obtain a scholarship or a free place in a Secondary School, though further progress is still difficult. The completion of the chain connecting the Primary Schools with the Universities will shortly be accomplished. In the Bombay Presidency, Government now provide for 10 per cent. of free scholars in our High Schools and the aided schools may extend the free list to 15 per cent. The Secondary Schools of the United Kingdom have about 161,000 pupils compared with about 400,000 in Germany taught by 20,000 highly trained teachers. Since 1907, the teachers in the Elementary Schools of Great Britain have been obliged to spend a whole-time period in a Secondary School before entering a Training College.

When Western learning began in India, education in England, though considerable in quantity, was largely inefficient and wholly unorganised. Only in the latter half of last century was it realised that we were falling behind other countries and especially Germany, where a great system devised and controlled by Government was being rapidly built up. The British habit of trusting to private agency and private effort, which has some great advantages, proved to be quite unsuited to modern educational needs, and the nation which led Europe in industrial enterprise was threatened with defeat on the field which it had dominated. Not only in scientific training, but in general education, we found that we were in danger of being outdistanced by rivals, and that our national progress was impeded. Our complacency received a rude shock and we attempted in earnest to set our educational house in order.

The paramount importance of Government responsibility in regard to education in all its branches is now recognised; careful study is devoted to education as a subject *per se*, and numerous and drastic reforms are in full progress. The great question for this country to-day is whether Indians, like the Japanese, will welcome and assist in carrying out corresponding reforms or whether they will rest satisfied with obsolete methods which all advanced peoples have left far behind. Upon the answer to this question, the speed of the progress of India towards nationhood largely depends.

It is a curious fact that the date of the first contribution from national funds to education in England only anticipated by three years what was a turning point of education in India. Lord William Bentinck desired that the education of India should be based upon "English literature and science." The first direct impulse, however, came from the law member of his Council

who in contemptuous rhetoric gave a false direction to education from which India has not yet recovered. Lord Macaulay's initial work on the Penal Code, which he did not remain to complete, was admirable. His idea that education should aim at producing Government officials showed a narrowness of vision which India has reason to deplore. As M. Chailley points out, "It necessarily followed that pupils were to be sought, not among the mass of the people, but in a special class."

Until recent years Primary Education has been too much neglected, while Secondary and Higher Education absorbed a disproportionate share of public funds. The famous despatch of Sir Charles Wood in 1854 aimed at redressing the balance, and with a breadth of view remarkable at this period, enunciated a policy of giving instruction to the masses of the people, discussed methods, and promised financial support. For various reasons the results were most disappointing; but new administrative machinery was created and Higher and Secondary Education gained to some extent. In 1857 the Universities of Calcutta, Madras and Bombay were formally inaugurated. The Act of that year, in the preamble, laid down that these new Institutions were primarily established "for the purpose of ascertaining by examination the persons who have acquired proficiency in different branches of literature, science and art, and of rewarding them by Academical Degrees." This miserable conception of the objects of a university was apparently due to the selection of the London University as a model for India. The London University has since undergone radical reforms; but the Indian universities, misdirected from their start, remain unregenerate.

The important Commission of 1902 was compelled to state that "in a rightly governed University examination is subordinate to teaching; in India, teaching has been made subsidiary to examination." This the Commissioners most wisely regarded as the "greatest evil from which the system of university education in India suffers." They further stated "that it is generally agreed that the legal powers of the universities have been so narrowly drawn as to suggest that they are restricted to the functions of holding examinations and conferring degrees"; but they significantly noted the existence of "a very general desire that all the universities should be recognised as teaching bodies," and they made proposals for enabling them to provide "advanced courses of study."

The Report of this Commission and the minutes of evidence should be carefully studied by everyone who desires to form any opinion upon the state of higher education in India. By 1902 Government and the Indians best qualified to judge had become perfectly aware of the grave defects in the system of higher

education—defects which the Act of 1857 must have brought about in any country, but which were powerfully intensified by the characteristics, social and intellectual, of the Indian people. Examinations had been allowed to run riot with results demoralising alike to the universities and to education generally. To pass the matriculation and to obtain a degree became an object of ardent desire, attracting large numbers of boys who inevitably failed in both; or, if successful, too often found later that their equipment was of no practical value. Meanwhile the universities continued mechanically to grind out passes and failures; kindness of intention led to real cruelty; standards were lowered and with increasing numbers came deterioration of teaching power. In the Bombay University the proportion of teachers of all ranks to students is about 1 to 31. At Oxford it is 1 to 7·2 and at Manchester 1 to 6·4. Such comparisons are necessarily inexact; but they help to emphasise the indisputable fact that classes in some schools and colleges are far too large for education worthy of the name.

The fierce struggle for objects too often tragically illusory and weakness in teaching power led to dependence upon memory, the faculty which many Indians possessed in marked degree, with disastrous results to education. "The text-book," writes M. Chailley, "reigns over the Indian colleges in all its hideousness, and it is not only the students who are possessed of these manuals." I need hardly say that a good text-book may be advantageous or even indispensable for certain subjects, though in the higher branches of study it should have no place. It is the misuse of the text-book by teachers and students that is in fault, and examinations which can be successfully passed by pupils who have committed passages of their manuals to memory react upon the teachers and are *causæ causantes* of the failure of education to do justice to India. The kindness, which may be cruel to individuals and must be injurious to national progress, is responsible for the form taken by too many of the university examinations. "A good examination paper," stated the Commissioners of 1902, "is a work of art," and they went on to make some practical suggestions on the subject which have been ignored.

Higher education in India can make a fair display in tabulated statistics. The number of students in the Universities is very nearly identical with that in the United Kingdom and more than three times as great as that in Japan. Of all pupils under instruction, about 1 in 1,400 is receiving University training in the United Kingdom. The corresponding figure for Bombay is 1 in about 168. In the United Kingdom about one pupil in 34 is in a secondary school; in France 1 in 33; in Bombay

1 in 11·2. In proportion to population, for reasons which are plain, the percentages are still very low for India, though 25·3 per cent. of boys of school age are now under instruction, and this figure is mounting every year. Some relation between pupils in the different stages of education roughly approximating to that existing in other countries might have been expected ; but causes, which I have endeavoured to explain, have produced a startling disproportion of university and secondary students in India. We have, in fact, built up an inverted pyramid for which broad and stable foundations must now be provided. If the quality of the output of the Universities of India approached that of the Imperial Universities of Japan, which have less than one-third of our number of students, the progress of India would be greatly accelerated. Lecturing some years ago, Dr. Bhandarkar significantly asked : " Why should we not move on, side by side with Europeans, in the great fields of thought ? Why should discoveries be made in France, Germany and England and not in India ? " Anyone who will make a conscientious study of the state and methods of the Universities in India will find no difficulty in supplying the answer.

Higher education has fallen within the confines of a vicious circle. The Universities were created to examine and confer degrees. Indian students eagerly sought to pass the Matriculation and to win degrees. Mistaken kindness demanded a large pass list, admitting boys quite unprepared for University training. Moreover, to render these passes possible examinations of a special kind were necessary. The admission of unprepared boys wasted and enfeebled the teaching power of the colleges, and both colleges and high schools were forced by the character of the examinations into methods of teaching having no relation to education and harmful to the best students. One institution, recently criticised, retorted pertinently that, " as long as the present system of examining is adhered to by the University, the system of dictation is almost forced upon the colleges." These evils inevitably react upon the University itself, tending to produce lowering of standards to meet popular demands, and thus completing the chain of error which presses heavily upon the student and impedes the progress of India.

I do not mean for a moment to imply that there is not good teaching in some colleges and schools ; but such teaching does not obtain fair play and cannot stand out as it deserves. The mental strain upon the student, especially before the numerous examination periods, is often excessive and usually quite disproportionate to the amount of sound knowledge acquired. The economic strain may ruin a family without any compensation, when, as too often happens, they have stinted themselves and

borrowed to provide a son with a standard of education for which he is not fitted. The Commission of 1902 laid down that the scale of fees should not be so low as to "tempt a poor student of but ordinary ability to follow a University course which it is not to his real interest to undertake." The principle here enunciated is perfectly sound, though the adjustment of fees which it demands is not easily made. At least it can justly be said that in India low fees may cause real cruelty, and that the practice of other countries, where the comparatively well-to-do have to pay full value for secondary and higher education which brilliant boys of the poorer classes can obtain by the aid of scholarships, has advantages.

The Government of India Resolution of March 1904 which followed the consideration of the Report of the Commission of 1902 is a remarkable State paper dealing with the evolution of education in all its branches, according full credit to what had been accomplished, pointing out the need of "substantial reform," clearly indicating the direction which progress should take, and laying special stress on "the abuse of examinations." Anticipating the demand for a large increase of primary education, which has since become popular, the Governor-General in Council noted that there were "more than eighteen millions of boys who ought now to be at school; but, of them, only a little more than one-sixth are actually receiving primary education." In 1901-02 the gross annual expenditure on all teaching institutions exceeded Rs. 400 lakhs; but primary schools received from provincial and local funds only a little over Rs. 63 lakhs. The corresponding expenditure in 1911-12 on primary education for Bombay Presidency alone was Rs. 35½ lakhs.

The startling revelations of the Commission of 1902 led to the Universities Act of 1904, which gave statutory force to a few of its most urgent recommendations. The result of this mild Act was a loud and widespread clamour which has not yet died away, and which caused sorrow and discouragement to every true lover of India. The object of the Act—so its opponents alleged—was to "officialize the Universities." This parrot cry was taken up by writers and speakers who had never read the Report of the Commission or the remarkable resolution which followed, were unaware that in Germany and in Japan the Universities are controlled entirely by Government and for that reason are peculiarly efficient, and ignored the pregnant statement of Dr. Bhandarkar, one of India's greatest scholars, that "educational opinion should predominate in the government of the University." Prejudice having been thus aroused, it was inevitable that, as in all such cases, consideration of the real issues should drop out of sight. That Government sincerely desired only to remedy patent evils,

tending to become chronic, which were visibly checking progress in India, and could have no other motive, was quite forgotten. The misconceptions thus engendered bear dead sea fruit to this day and have helped to neutralise the good that might have been accomplished, and after a careful study of education in India during more than five years, I have come to the conclusion that, for reasons which I plainly see, the results have not corresponded with the efforts and the intentions of Government.

Happily there are signs of an awakening to the need of educational reform. The Government of India is making liberal grants which, if wisely utilised, should go far to render the Indian universities fit to discharge their most important duties. Meanwhile, primary education, to which I devoted special care, is steadily progressing in the Bombay Presidency, and in time national training should obtain the broad foundation which has long been wanting. Then it may be expected that India, like Japan, will produce real students who will attain eminence in all branches of learning, and become inspiring directors of the many forms of activity which the development of a great country demands. That is the earnest hope of all who cherish a warm regard for the Indian people, and who wish for them a worthy place among the nations of the world in the years to come.

SYDENHAM.

FOREIGN AFFAIRS

A REVIEW OF THE MONTH

By DIPLOMATIST

IF we except the position in Mexico, the year closes amid surroundings of peace and goodwill. The fears that faced Europe in January have vanished and, if it cannot be said the outlook all round is gay and bright, the general aspect is hopeful, and there is an expressed desire on the part of the Great Powers individually to refrain from embarking on any line of policy likely to cause a rift within the lute. At the same time it would be idle to assume that no difficulties stand in the way of a complete settlement in the Near East much less that the Concert is agreed on all points of European activity. But, if the commonsense and good feeling expressed in the recent speeches of the German Imperial Chancellor and the Italian Foreign Minister may be taken as representing the sentiment underlying the foreign policy of other European nations, there is no reason why, as questions of difficulty arise, these should not be quickly settled on the give and take basis, a method of procedure which proved so successful at the Ambassadors' Conference.

Looking back at the more immediate events of the month one has to record a political crisis in France, ending in the fall of the Barthou cabinet and the installation of M. Doumergue as Premier. At best the new ministry is but a stopgap administration, it should be able, however, to carry on until the mandate of the present Chamber expires in four months' time. As to what will happen then time alone can show. The new Premier, who also holds the portfolio of Minister for Foreign Affairs—pending the expected occupation of that post by M. Delcassé, who is understood to have resigned the position of ambassador at St. Petersburg in order to resume political life in France—lost no time in addressing cordial telegrams to M. Sazonoff and Sir Edward Grey. To the Russian Foreign Minister he said that he attached great value to maintaining the most cordial relations with St. Petersburg "in the interest of the Alliance which so happily unites our two countries."

And he assured Sir Edward Grey that his efforts would be directed towards developing "the confidence and friendship which is established between England and France." M. Sazonoff replied: "I would ask you to entertain no doubt of the zeal with which I desire to co-operate with you in maintaining and consolidating the Franco-Russian Alliance in the interest of our two countries. And a similar telegram was sent by the British Foreign Minister, who said, "You may count upon my co-operation in the development of the cordial friendship between France and England."

This correspondence places beyond dispute the relations between the countries named, and indirectly shows that all reports as to the stability of the Triple Entente being on the wane are without foundation. New friends we are certainly making. And why not? But the widening of a visiting circle does not in any way mean that old friends will be neglected. And so with nations. Instead of neglecting France and Russia, in the altered circumstances opportunities will arise for old and new friends to sit down at a common table and discuss their differences, if any, in an open and amicable manner. What better security could we have for the peace of Europe? So fast indeed are things moving that we appear to be within measurable distance of a wide extension of the spirit of the *entente cordiale*. We may even yet see the grouping of Powers disappear before the dawn of union. Then will be the time to talk about reduction of armaments and naval holidays. At present such matters are outside the arena of practical politics.

The new friend which so perplexes some people is found in Germany, but after all she is hardly a new friend seeing that when this country was at enmity both with France and Russia the most intimate relations existed between ourselves and Germany. Twenty years ago and even less to have hinted at the possibility of cordial feelings between ourselves and France or Russia would have been regarded as a sign of madness, so long and so severe was the estrangement in both cases. Waterloo and the Crimea left behind sores which it was generally supposed could never be healed. But what do we see? Thanks mainly to the initiative of Lord Lansdowne and the continuity of policy pursued by Sir Edward Grey, all bitterness of feeling has melted away, and France, Russia, and England are now on the very best of terms. Most unfortunately during the cementing of these friendships our friend and blood relation, Germany, slipped away from the old moorings and got carried out to sea. As to the origin of the mishap, it is too late now to inquire. Some say Great Britain was to blame, others that Germany

required a freer and wider field for her operations. Be that as it may both parties frankly admit that the drifting apart went on too long. For when Germany wanted to get back the tide was strong against her, and when we wanted to reach our old friend we could not get over the breakwater. At last oil was poured on the troubled waters, and after a long period of storm and tempest calmer weather began to set in. Now, if the water is not quite smooth, all fear of another storm is over. Indeed the opinion prevails that the atmospheric causes which so long worked to keep us apart are now working in exactly the opposite direction, and that the coming year will see not only the political differences outstanding between Germany and ourselves pass away but that the two countries will once more be on the old familiar footing. In some quarters rumour has it that 1914 will see a *rapprochement* between England and Germany possessing all the qualities of the understanding between this country and France, subject only to such modifications as the situation demands.

In this connection it may be timely to reproduce the statement made by the German Imperial Chancellor, Herr von Bethmann Hollweg, in the Reichstag when dealing the other night with foreign affairs.

The German Government are devoting the most careful attention to the great economic interests which, especially in view of the Baghdad Railway undertaking, Germany has to protect. I have on a previous occasion, in connection with the announcements by the English Government, said that we were negotiating with England with a view to preventing the possibility of friction in the economic sphere, and to securing once for all financially and politically the completion of the Baghdad railway. Recently, at the wish of the French Government, we have entered into conversations with France which aim at preventing competition in districts where the economic activities of the two countries meet. The negotiations with England are further advanced, while those with France are still in the preliminary stages.

The satisfactory progress in our relations with England has enabled us to approach a solution of the Baghdad problem. Further, in pursuance of the main idea of bringing the relations of the two countries—by means of agreement about individual questions arising out of the competition in world trade and colonial policy—permanently back into the quiet paths which for a time they had threatened to leave, we have opened negotiations with the English Government with a view to preventing the possible appearance of antagonisms of an economic kind in African territories. Without encroachment upon the rights of third parties—I desire to emphasise this point most sharply—we are working for a fair settlement in the interests of both sides. There is not the slightest question of one-

sided renunciations on the part of Germany. Nor is there any question of compensations which might be given for the obtaining of advantages in Central Africa, or *vice versa*.

I must confine myself to these indications, as negotiations are still in progress. I will only add that I have reason to suppose that the result of these negotiations, if they are completed upon the lines that are being pursued by both Governments, will be welcomed in Germany and in England as an acceptable solution of possible antagonisms. I hope that the spirit of mutual trust which characterises our present relations with the English Government will then extend to those circles in both countries which still regard with a certain scepticism the *rapprochement* of the two peoples. Let us leave the past at rest, and continue to work in confidence upon the basis which the present offers us.

This statement goes far to confirm my observations of last month, when I pointed out that negotiations were proceeding with Great Britain and France with the object of arriving at a settlement of all matters outstanding between these two countries and Germany in the Middle East. As regards France the negotiations, as the Imperial Chancellor says, are "still in the preliminary stages," but while some time may yet elapse before any conclusion is come to in the case of France, there is reason to believe that two or at the most three months will see a draft in being of the proposed settlement with ourselves.

Referring to the present situation in world affairs the *North German Gazette* makes the pleasing and at the same time very practical announcement that: "The accomplishment thus far of the work of peace has been possible only upon the basis of the change that has taken place in Anglo-German relations. The allusion that the Imperial Chancellor was able to make to the probable further development of our relations with Great Britain opens up the prospect of continuing success in averting the danger that the natural competition between the two great civilised peoples might develop into political antagonism. Experience has taught that such an antagonism has a weakening and hampering effect, not only for Germany and England, but for Europe."

Everyone will be glad to see the Baghdad Railway project satisfactorily arranged. Its diplomatic history is not a happy one for this country; nor were France and Russia eager to give their blessing to an undertaking which but for the energy and advocacy of Herr von Gwinner and the Deutsche Bank might never have got beyond the stage of concession. Some time ago, however, Russia withdrew her opposition, an example that was quickly followed by France. It took Great Britain longer to make up her

mind, and it was not until Germany facilitated matters by concluding an alternate arrangement with Turkey that serious business was begun. Since then we have been negotiating with Germany and with Turkey, and from the Imperial Chancellor's statement it may be assumed that something definite will shortly result. Often have I referred in these pages to the advisability of British co-operation in the Baghdad Railway. There can be no doubt that the line ought to be an international undertaking, and that this country should have been financially interested from the first. Politically, we cannot fail to be interested, especially in that section which according to the original programme was destined to have its terminus on the Persian Gulf. Commercially also we have much to gain or much to lose as the case may be.

The railway is an extension of the Anatolian line which ends at Konia, and if constructed according to the recommendations of the experts who studied and presumably surveyed the route will pass over the Taurus and Amanus mountain ranges to Aleppo, across the Euphrates to a point on the Tigris, following the right bank of that river to Baghdad, traversing the now swampy lower Mesopotamia, the land "between the rivers," re-crossing the Euphrates and continuing on its right side to Basrah on the Shat-el-Arab, eventually reaching, if this country agrees, the Persian Gulf. Such a railway cannot fail to be of special value to Turkey as the best and practically the only means of bringing the disjointed members of the Turkish empire within reach of control; it will also bring cultivation again to a country that at one time was most fertile.

Herr von Gwinner signed the Baghdad railway concession with Zihni Pacha, then Ottoman Minister of Public Works, on March 5, 1903, and following the precedent of the Anatolian Railway, he approached certain financiers in this country who agreed to become partners in the concern. The British Foreign Office was consulted and undertook to assist in the undertaking. Most unfortunately, however, a strong anti-German feeling arose in England, and the negotiations both with the British financiers and the Foreign Office fell through, postponing the question of British co-operation indefinitely. In some Liberal circles to-day, and especially in organs of the Liberal Press, there is a tendency to place this anti-German feeling on the shoulders of the Unionist party. No greater mistake could be made. Lord Lansdowne saw the advantage of the railway and did all he could to assist the undertaking; in fact I think I am correct in saying that he went so far as to promise the assistance of the British Foreign Office, but the opposition of our Press and especially of the Liberal section was overwhelming. Writing

to Herr von Gwinner on the matter the late Sir Clinton Dawkins says :—

Lord Lansdowne, who was not without support, endeavoured sincerely and earnestly to make his views prevail. But he was unsuccessful. The anti-German feeling prevailed with the majority ; London having really gone into a frenzy on the matter owing to the newspaper campaign, which it would have been quite impossible to counteract or influence.

Finally the money was found by an arrangement between the Turkish Government and the Deutsche Bank, and the first section from Konia to Engli was built. In June, 1909, a fresh convention was signed between the Deutsche Bank and the Ottoman Government, granting the surplus of the Ottoman Public Debts free income as a security for a new Baghdad Railway Loan. The proceeds of this loan were to be used to carry the railway over the Taurus and Amanus ranges beyond the Euphrates and through Upper Mesopotamia some 840 kilometres further east to El Halif, not far south from the town of Mardin and on the way to Mossul. This section is, I understand, being built by a new company formed at Glarus in Switzerland with a capital of £400,000, the chief shareholders being the Anatolian Railway Company at Constantinople, the Imperial Ottoman Bank, the Wein Bankeren in Vienna and the Deutsche Bank. The Baghdad Railway Company has a Board of twenty-seven directors ; of whom eight are French, four Ottomans, two Swiss, one Austrian, one Italian and eleven Germans, three of the Germans being the nominees of the Anatolian Railway Company. The money raised was not sufficient for the work required, and the Company sought and, I believe, are now seeking additional financial assistance.

Towards the close of 1909 Sir Ernest Cassel visited Berlin in connection with fresh proposals by the German group with regard to British co-operation in the carrying out of the Baghdad Railway. Commenting on that announcement the Berlin correspondent of the *Times* said :—

BERLIN, December 15, 1909.

The *Berliner Tageblatt* remarks that it is not stated whether the question is the participation of English capitalists in the construction company recently founded in Switzerland, or in the construction of the final or Persian Gulf section of the line, which there has as yet been no question of taking in hand. "The co-operation of the English," adds the journal, "in this section of the railway is naturally to the interest of both parties, for the whole territory adjoining the terminus (*Mündungsgebiet*) of the great overland route is under English influence." It is evidently not yet realised that all that has happened at present is a fresh attempt on the part of the German promoters of the Baghdad Railway to secure the participation of British capital in the Gulf section—for this seems to be the more probable of the two alternatives mentioned by the *Berliner Tageblatt*—upon terms which will be awaited with lively interest.

The same correspondent also laid stress on the political aspect of the case, which he observed, "will have to be borne carefully in mind if difficulties of a far more serious kind are to be avoided." His despatch ended thus :

Whatever be the exact nature of the German proposals, it is, of course, obvious that a *sine qua non* of England's acquiescence is that she shall control the section of the line from Baghdad to the Persian Gulf. This has always been an essential condition of English participation in the scheme. Nor, it need hardly be said, does the matter lie between England and Germany alone. The interests of both France and Russia will have to be taken into consideration. And, above all, it will be necessary that any arrangement which is come to should be in harmony with the interests of Turkey herself.

The Conservative *Deutsche Tageszeitung* saw no objection to the further internationalisation of the railway, because "if English capitalists have money in the concern they and the English Government will be looking after their own business, and there will be an end of the absurdity of German diplomacy being perpetually engaged on behalf of an undertaking that is no German undertaking." That England should build the final section is as it should be. We have far greater interests in and about the Persian Gulf than Germany or any of the nations at present taking part in the construction of the railway. At the same time it must be admitted that the last section will be the easiest section to build and the cheapest. On the other hand the section now in course of construction must prove the most costly of the three, seeing that it crosses the Taurus and the Amanus ranges. In these circumstances it would be only fair if the Gulf section were handed over to us that we should take over some of the liability attaching to the outlay on the second section. It has been said that if Sir Edward Grey had given his consent to the proposals which Sir Ernest Cassel was prepared to make we could have done as we liked with the Persian Gulf section. Be this as it may the refusal of the Foreign Secretary to sanction Sir Ernest's negotiations put an end to the proposals, which have never, I believe, been renewed.

Later on conversations at Potsdam carried us a chapter further in the history of the line. And whatever may be the view taken of Russia's attitude past or present, there can be no doubt as to the significance of the late German Imperial Chancellor's statement: "Russia, on her part, will not only place no obstacles in the way of our trade, but will further facilitate the provision of a connection by which that portion of it conveyed by Baghdad to Khanikin may be imported into Persia." This statement has been made the text for many an article in the Press of Europe, sometimes favourable to Germany, sometimes against. As far as I can gather all that Germany has done is to enter into an under-

taking not to build a branch line to the Russian frontier, and the Russians on their side have promised to build the line themselves. Thus both Powers are satisfied. It is a pity we could not have arrived at a similar understanding with the Gulf section.

In such circumstances it would have been easy for England to take up part of the capital in the line, and to receive as a *quid pro quo* diplomatic guarantees that British interests, political and economic, in the Persian Gulf should remain intact. And that is all we want. Obviously, any extension between Basrah and Koweit should be under British control. Beyond Basrah we come to the Persian Gulf region, and no one can deny that the state of this district warrants the intervention of further civilising influences. Turkey appears to be powerless in the matter. What law and order there is emanates from British influence. For Germany to enter this region would certainly give rise to difficulties. At present the Sheiks of Mohammerah and Koweit seem to hold the balance between Turkey and this country. Nominally vassals of Turkey, they pay little heed to the Sultan's rule unless it suits them to do so. They play a similar game with Great Britain. What is wanted is for Turkey and Great Britain to come to some definite and permanent arrangement, and for this region to pass under proper and adequate control. In that event peace and order would soon be restored.

Whether my suggestions as to the Persian Gulf section will be received with favour either by this country or Germany, I cannot say. Probably, I shall be told the issue does not yet arise, as last May Sir Edward Grey, referring to our arrangement with Turkey—and it must not be forgotten that, as far as the Baghdad railway is concerned, it is an agreement between Great Britain and Turkey—said that “the essential part of this agreement is that the Baghdad Railway is not to proceed beyond Basrah without an agreement with us, and we are making no agreement that it should proceed beyond Basrah. We are contemplating that Basrah should be the terminus: we have a definite undertaking that it will not run beyond that place without an agreement with us.” Alluding to the position of Germany, Sir Edward pointed out that “Germany has her own agreements with Turkey, and we, of course, are not parties to those agreements. But for the smooth working of the agreement (between Great Britain and Turkey) it is necessary that not only Great Britain should be satisfied that her interests are protected, but that Germany should also be satisfied that her interests are not injured.” He also stated that Germany herself had given an undertaking that the railway should not be made beyond Basrah without an agreement with us. Another item in the settlement with Germany is that Great Britain will have two directors on the Board, their duty being to

keep us informed "of the rates which are being fixed and how the rates are being worked." It is needless to say that no differential rates will be sanctioned.

Had this country been on better terms with Germany during the last few years the whole situation might have been changed. Long ago the line might have been finished, and British commerce benefited. There are some persons who think that Germany is building the line for the sole purpose of flooding the Middle East with German goods. Such an idea is absurd. One has only to look at the distance between Berlin and Koweit to see at a glance that the railway is hardly likely to be used much for sending German goods from Berlin. The sea route is far the cheapest and must remain so. The line, however, has great commercial advantages locally, and has long been wanted to connect Constantinople with the Persian Gulf.

Commenting on the German Imperial Chancellor's speech the French Press are not altogether enthusiastic. Their criticism, however, is directed rather to omissions than to anything else; particularly do they call attention to what is regarded as a point in which German policy is said to be opposed to that of France, Great Britain and Russia, namely, what is termed the "German Military Mission to Constantinople." I cannot help thinking, whatever may be the view taken by France in this matter, Russia is disinclined to do more than enter a diplomatic protest. Indeed the latest information we have received from Constantinople tells us that so far as Russia is concerned the incident may be regarded as closed. Presumably as a member of the Triple Entente we did not feel disposed to separate ourselves from France and Russia. And if they thought it necessary to move we were ready to move in sympathy. But that is all. Great Britain has no desire to interfere with Turkey's domestic policy, much less to do anything likely to offend the susceptibilities of Germany. Nor can I see that such interference is the business of either France or Russia. But that is another story. Personally I am inclined to agree with those critics who think that if harmony is to result difficulties of any kind in the Near East had better not be approached either from the standpoint of the Triple Alliance or the Triple Entente, but that each Power should be free to take its own course of action.

After all, what does the so-called "German Military Mission" amount to? Germany has lent Turkey a general officer, and he has taken with him other officers to help him carry out his arrangement with the Turkish Government, namely, to reorganise the Turkish Army. This general officer has had to resign his position in the German Army, and so, I take it, have the subordinate officers who have accompanied him to Turkey. From the moment

they set foot in Turkish territory they are relieved of all connection with Germany and are the servants of the Turkish Government. What seems to have upset France and Russia is the fact that the German general insisted on full powers; and why not? Did not the British admiral who went to Turkey with a complement of British naval officers to reorganise the Turkish Navy do the same thing? It is clear that without full control neither the British admiral nor the German general could do justice to their appointments. As well might fault be found with the Armstrong Vickers group for accepting the concession to reorganise the Turkish dockyards and naval arsenals. Of one thing France and Russia may be certain, and that is we are not going to imperil our relations with Germany over any dispute in connection with General Von Sanders' appointment. I quite understand that France feels a little sore after all that was said about German guns and German military training in the Balkan War. But if Turkey thinks German military methods are best for Turkey what has it to do with France or anyone else?

Passing to the question of Albania, it is satisfactory to note that the Commission of Delimitation has unanimously accepted the line proposed by Great Britain, a line that received the support of Austria-Hungary and Italy. It is also gratifying to this country to hear such high opinions expressed regarding the excellency of the work done by the British delegate. In fact it is an open secret that the happy conclusion arrived at is in no small measure due to his tact and experience. Not only has he contributed much to bring about a fair and reasonable delimitation, but he has played a personal part in removing many difficulties. On the one side he has balanced the views of Russia and France, and on the other those of Austria-Hungary and Italy. No mean task for any individual mind.

The statement made by the Marquis de San Giuliano in the Italian Chamber was equally as cordial towards this country as the speech of the German Imperial Chancellor. Referring to his sojourn amongst us, the Italian Minister said, "In the three years during which I had the honour to represent our august Sovereign in London, I think I learned enough of that noble country (England) to have confidence in the unshakable friendship between the two countries. Happily divergences difficult of solution in important questions have not hitherto arisen, and this is proved by the recent English proposal regarding the Albanian frontiers. Continual conversations of a frank and cordial character between the two Governments lead to the hope that important and lasting differences will never arise between England and Italy." Nor did he forget the part played in keeping the peace of Europe by the Ambassadors' Conference,

and in concluding his statement he paid a striking tribute to Sir Edward Grey, alluding to the scrupulous good faith with which he sought to give effect to the decisions of the Conference, a good faith "that has assured for his name a place of honour in the history of this difficult international crisis."

Notwithstanding the passing differences of opinion on particular questions, the Marquis de San Giuliano took occasion to point out that "the relations between the French and Italian Governments were excellent both throughout the Balkan crisis and now." And as if to emphasise the good feeling and administer a rebuke to a Press which does not see eye to eye with him, the Italian Foreign Minister further eulogised the sentiments of the two Governments by saying that they "were determined to maintain intact their friendship and to do everything possible to harmonise their respective interests and to spread among the two peoples feelings in accord with their intellectual affinity." Well-chosen words, and particularly suitable to the present situation, when there are apparently delicate matters at issue between the two Powers. For instance, in some quarters in France it is generally believed that the renewal of the Triple Alliance committed Italy to naval co-operation with Germany and Austria-Hungary, particularly in the Mediterranean, and that certain modifications had taken place specially hostile to France. With the object of eliciting an official statement on the matter, the *Matin* approached Signor Tittoni, the Italian ambassador in Paris, who replied that the reports circulated regarding "a modification of the Triple Alliance, in an aggressive sense, particularly directed against France, have no foundation. The Triple Alliance still maintains its defensive and pacific character. It contains nothing that could pervert or diminish the friendly relations between France and Italy." Although the French Press do not consider the reply as in every way satisfactory, it should go far to allay inquietude in French circles. Especially now that it has received the further endorsement of the Italian Foreign Minister, who, referring to the Triple Alliance in his speech in the Chamber, said that it was not necessary to repeat over and over again what was known and beyond all question, "that the Triple Alliance was eminently pacific and defensive in character and has been renewed without any modification."

I sometimes wish a question on the naval co-operation between Italy, Germany and Austria-Hungary could be put to Sir Edward Grey. For I think the answer would steady the uneasiness now caused by the constantly reiterated statement that in the event of a European war in which this country was engaged Italy must of necessity side in her naval operations with her allies. I believe

I am correct in saying that Italy, in the matter of naval operations against this country, is a free agent. But at any rate no harm could be done by obtaining a statement on the point.

Dealing more particularly with pending questions the Marquis mentioned three. Two he said were of vital concern to Italy. The Albanian frontier and that of the Eastern Mediterranean. These matters, he added, influenced not only Italy's relations to the other Powers, but the relations of the Powers amongst themselves. Alluding to the action taken by Italy in conjunction with Austria-Hungary, he pointed out that the problem of the southern frontier of Albania involved directly the equilibrium, the liberty, and the security on the Adriatic, and was "of equal importance for Italy and Austria-Hungary." Consequently both Powers had determined to work together to preserve that equilibrium and that freedom.

On the much-vexed question of the Islands now in the temporary occupation of Italy, the Italian Foreign Minister based his attitude on the Treaty of Lausanne, and again said that Italy adhered to the principle that "no Great Power ought to secure territorial advantage out of the Balkan crisis." The aim of Italian policy, he assures us, is the maintenance of the territorial *status quo* and of the present balance of power among the Great Powers in the Mediterranean. "To this end Turkey must be maintained intact, strong and secure." Passing on to discuss the more economic side of Italy's relations with Turkey, the Marquis di San Giuliano observed, "Italy wished to share actively in Turkey as elsewhere in the peaceful economic competition of the nations in order to spread abroad Italian wares, the Italian language, and the prestige of the Italian name, respecting the rights of others and claiming respect for their own." Notwithstanding the pleasing references to France, the press of that country has not received the Italian Minister's statement with much cordiality. It throws doubts on any genuine evacuation of the Dodekanesos, and fails to regard the wider policy of the Italian Foreign Minister and according with the consistent support given to Germany and Austria-Hungary.

The publication of the British Note to the Powers comes almost simultaneously with the statement in the Italian Chamber. It was perhaps unfortunate that it received premature discussion in the French Press, but after all that is a minor matter. The Note which owes its inspiration to Sir Edward Grey shows no desire to raise any fresh issues in connection with the results of the Balkan War. All it seeks to do is to place before the different Governments represented at the Ambassadors' Conference concrete proposals for an equitable and speedy settlement of certain outstanding details which, were they to remain unsettled, might

lead to further difficulties arising. The Note, which contains ten paragraphs, deals with the future of the *Ægean Islands* and the delimitation of Southern Albania, the primary object in this connection being to give the Greeks a month's grace to evacuate the territories assigned by the Conference to Albania. And on this point it may be assumed there will be a general acquiescence.

As regards the *Ægean Islands*, that part of the Note is so well summarised by the *Times* that I take leave to reproduce the summary.

The British Note proceeds to deal with the question, or questions, of the *Ægean Islands* held by Greece, and of the Dodekanesos, or *Ægean Islands* held by Italy. In the case of Greece the Note observes that during the Conference of Ambassadors it was understood that the sacrifices imposed by the Powers on Greece in Epirus, at the instance of Austria-Hungary and Italy, would to some extent be compensated by concessions to Greece in regard to the *Ægean Islands*. The Note suggests that all the islands under Greek occupation shall be retained by Greece, with the exception of Imbros and Tenedos, at the mouth of the Dardanelles. It is nevertheless proposed that Greece be required to undertake not to erect fortifications or to create naval stations in the islands she retains. Greece would further be called upon to prevent contraband with the coast of Asia Minor.

As regards the evacuation of the Dodekanesos, or *Ægean Islands* held by Italy, the British Note appears to be founded upon two main assumptions:—(1) That the categorical assurances repeatedly given by the Italian Government will be spontaneously fulfilled; and (2) that the circumstances upon which their fulfilment was contingent will be recognised to have been practically realised. Turkey has disavowed and placed *hors cadres* the Turkish officers who remain in Tripoli. The Treaty of Lausanne thus acquires full validity. This question, pending for fifteen months, seems now to be considered ripe for settlement. The Note does not expressly insist upon this point. It suggests nevertheless that, when restored to Turkey, the islands under Italian occupation shall receive some form of autonomous government.

There is no doubt whatever that the Treaty of Lausanne will be strictly observed by Italy, but as to whether the present situation gives full validity to the provisions of that document some doubt appears to exist in the minds of the Italian Government. At any rate the position is accurately explained in the following semi-official *communiqué* to the Italian Press:

The report that Great Britain had intimated to the Italian Government that in its opinion Turkey had already fulfilled the provisions of the Treaty of Lausanne and that, conse-

quently, the time had come for Italy to evacuate the Ægean Islands in her occupation is untrue. In political circles in London it is known that the British Government has been careful to make it clear to the Italian Government that such is not the meaning of the British proposal.

That proposal, in conformity with the deliberations in London and the repeated declarations of the Italian Government, is limited to placing it on record at once that when, in accordance with the Treaty of Lausanne, Italy evacuates the Islands these shall be assigned to Turkey and not to Greece, as Great Britain and other Powers have in the past appeared to desire. Italy has always taken the view which is now put forward by Great Britain that the Islands should in due time revert to Turkey.

One would have liked to refer to the effort that failed in respect to British and German representation at the Panama-Pacific Exhibition, but I have already exceeded my space, and so must refrain. I may, however, be permitted to congratulate myself on the line taken by me at the beginning of the negotiations, especially as after-events have shown that line to be right. There is no reason to suppose that either Great Britain or Germany will go back on their recorded word, and I must say that the reasons given for non-participation are, in my opinion, both adequate and practical.

DIPLOMATIST.

THE IMPORTANCE OF NATIONAL SERVICE

BY THE RIGHT HON. LORD AMPHILL, G.C.S.I., G.C.I.E.

SOME people may think any discussion just now of the activities of the National Service League inopportune. But while I readily agree that neither the Government nor Parliament can attend to anything else until the question of Home Rule is settled, the matter of national defence and national security is of such vital and invariable importance that it can never be set aside; it must occupy the constant and unceasing attention of the nation at all times. It is as necessary that our armed forces should be prepared for any and every emergency as that a fire brigade should be ready to turn out at a moment's notice.

Suppose war were to befall us—not war thousands of miles away across the seas in which only our soldiers and sailors would be required to take part—but a war with a European Power, in which we should be obliged to put forward the utmost of our strength to preserve our very existence. How many of us would be able to take part? Only those already trained and armed, for there would be neither time nor teachers to add to their number. And we must remember that the hostile nation would necessarily be one in which the whole able-bodied manhood is trained and ready to fight, for every European Power except ourselves has recognised that to be the first duty of an able-bodied citizen. Which is likely to win in such a contest? The Power that can put forward its whole strength or the Power that can only use a small portion of its strength, the Power which is organised or the Power which has deliberately postponed organisation until the day of battle? Do not let us forget that the strength of nations depends, not upon ships and armaments, and arms or anything that money can buy, but upon the spirit of the people, the willingness and ability of every citizen to fight for national interests and uphold national honour.

And what do we of the National Service League propose? Simply this, that every able-bodied man, whether he be rich or poor, and whatever his station in life, should take his turn of

service in the Territorial Army unless he prefers to serve in the Navy or Regular Army. We also propose that he should thoroughly learn his job as soon as he joins by doing a recruit training of four to six months in the first year. After that he would be required to turn out for the ordinary Territorial Training of a fortnight for the next four years, he would then have qualified himself for the first duty of citizenship, to take his part in the defence of his country.

Why did we turn the old Volunteers into the Territorial Army? Because the old system was not good enough. Great improvements have been made, but have we got all we wanted? Have we got as many men as Parliament declared to be necessary for national safety, and do the men we have got receive sufficient training to enable them to meet an enemy at twenty-four hours' notice if the need should arise? I do not hesitate to say that no man in this country believes that to be the case. What we want is more men and more training for the Territorial Force, and there is only one way of getting that, only one way sound in principle, fair as between man and man, and truly democratic, that is that every able-bodied citizen should learn to discharge the first duty of citizenship before he attains to full manhood. We might get enough men if we paid for it, but would that be a sound system? Should we get the best men, and would it be fair to let the well-to-do escape service? Money will not buy everything, and one thing it will not buy is the spirit of free men determined to defend their liberties; it cannot buy the willing, personal service which springs from a sense of duty, and which alone is true patriotism.

Lord Haldane abolished the old name of the Volunteers and substituted that of the Territorial Army. And for this he must have had some good reason. My own belief is that he changed the name because he was far-sighted enough to recognise that the days of "Volunteering" were numbered; he held up the ideal of the "Nation in Arms," which has only one meaning, that of universal service; he chose the name "Territorial" because he wished to establish the principle that every part of the country should provide its fair quota of men, the first step towards the higher principle that the whole manhood should contribute service on equal terms.

As regards training, Lord Haldane has declared again and again that under the present system the Territorial soldiers cannot be fully trained until after war has broken out. It is a matter of common sense to recognise that that might well be too late. It would be madness to face the stormy seas in a ship manned by untrained sailors, and since the soldier's trade is also one which needs a deal of practice, it is unwise, and, indeed,

cruel, to send half-trained soldiers to face the storm of battle. Nations which have done so have had to pay a bitter penalty. The only course which will set matters right and give to the Territorial Army the two things which it requires—more men and more training—is to accept the scheme laid down by the National Service League. This is not attacking or crabbing the Territorial Force which some people accuse us of doing.

Let me clear the air of a few misapprehensions. This is not a party question. Even in the House of Commons the question was treated as a non-party question when a National Service Bill was moved by a Unionist and seconded by a Liberal. Again, it is constantly said by our opponents that we advocate "conscription." That is not true, the actual fact being that we are trying to abolish conscription, in order to substitute the more effective, more just, and more democratic system of universal service. It may surprise some persons to hear that conscription is actually the law of the land at the present moment, for the principle of conscription is embodied in the Militia Ballot Act, which has been deliberately left on the Statute Book. Every other European nation has, with the advance of democratic principles, abolished conscription and established universal service, which, as I shall show, is more in accordance with the spirit of the age. We alone lag behind, although we used to pride ourselves on leading the way in the development of free institutions and representative government.

Let me explain the difference between the two. Conscription means you draw lots to decide who is to serve in the professional Army, and you allow the rich to escape by paying for substitutes among the poor. Universal service means that every citizen, whether he be rich or poor, and whatever his station in life may be, is liable to serve in the National Army. That is why I advocate national service in the place of the conscription which we have got but dare not use. Again, universal service is the only system suitable to the democratic State. Democracy means government by the people; but the first duty of any Government is to provide for the safety of the State, it follows, therefore, that under democracy it is upon the people themselves that that duty devolves. Which, then, is better? To discharge that duty by personal service or by paying, coaxing, and bribing others to do it? Which is the more manly part for the individual citizen? To do his own fighting, when fighting is necessary, or leave it to others? Ah! But some critics say, in the hour of danger all would rush to arms. What good would that be? Who would there be to do the training? Where would be the arms and organisation? The trade of a soldier has to be learnt just as much as any other trade, and it is too late to learn it when the

national workshop has already been wrecked. Which, then, is more democratic ? For all alike to share the first duty of citizenship or to allow those who can to shirk it ?

Democracy, so far as it means equal rights for all, must also mean that all should have equal duties and equal opportunities. Is that the case now ? Has every man an equal opportunity of learning to defend his country in the same way that every young citizen has an equal opportunity of acquiring the rudiments of civilised education ? It is well known that thousands of men are unable to join our citizen Army for fear of losing their jobs. Is that fair ? Is that consistent with the democratic principle of equal opportunities ? And what about equal duties ? Could the so-called voluntary system be applied to education, the sole object of which is to make good citizens ? Would not countless people refrain from sending their children to school or from keeping them at school if you did not make it a universal duty for them to do so ? Why, then, neglect a necessary part of the training of the true citizen ? Trades Unionists are sometimes obliged to go on strike ; in other words, to go to war, for self-defence, or for the sake of a cause they believe to be right and just. Do Trades Unionists rely on voluntary service in those circumstances ? No, every man is compelled to fight, for the simple reason that they would otherwise not have the least chance of winning. Now, the same principle applies to the larger community of the nation in the matter of self-defence.

Times have changed, and if we ever have to fight, it will be against some nation in arms, for nowadays every nation except our own is a nation in arms. To win in war, or, indeed, to win at anything, you must be stronger and better trained than your opponent, and it is only a matter of common-sense to recognise that a nation in which the whole able-bodied manhood is ready to take up arms to defend the national honour or to contend for national interests must be stronger and more skilful than a nation in which only a very small percentage have had any training at all, and that only an incomplete training. Those who are afraid of change and do not realise the necessity of keeping up with the times may say, " Well, give the Territorial Army more training." How can you ? How can the men who are so nobly doing their duty give up more time than they are doing at present ? They have all to earn their living, and they cannot afford to lose their posts and put themselves at a disadvantage with those who are not Territorials, and are competing against them for employment. But if you make the same rule for all, if you require every able-bodied man to take his turn of service in the Territorial Army, that difficulty disappears, just as it has disappeared in every other European country, and in those great

Dominions beyond the seas which are peopled with our own kith and kin, with men as free and as democratic as ourselves.

I have often been asked this question, "If the principle you advocate is all so simple and right, how comes it that it has not been adopted in this country?" Principle, as everyone knows, is often set aside for the sake of real or fancied expediency, both in public and private life, and few will disagree with me when I say that there is too little thought of principle and too much thought of expediency in all our public affairs. But let me clear the ground a bit and see how far we are all in agreement. It is surprising to find how much agreement there is and how narrow is the margin of difference.

Will anybody be so bold as to declare that the reign of universal peace has begun and that there will be no more war? Very well, then, war is a possible contingency that we must take into account. Will anyone be so presumptuous as to say that our Navy, magnificent though it is, is invincible? If there is such a one he will be guilty of the arrogance of ignoring that there are circumstances beyond the control of human beings. But if our Navy were to be defeated invasion would surely follow, and to those who maintain that invasion is impossible I would point to the fact that we have always considered it necessary to have an army for home defence alone. So long as we had the only fleet, during the long years when our Navy outnumbered all the fleets of the world, we were justified in regarding our insular position as sufficient security. Other nations have now built formidable fleets. Meanwhile every nation in Europe except ours has become a nation in arms, and thus developed military strength which we must take into account. The progress of science has wrought further mighty changes of which our forefathers did not dream.

Surely we ought to march with the times and adapt ourselves to changing circumstances? Sensible people do that in all the relations of life, in politics, in business, in private affairs. The change Lord Roberts and the National Service League desire to see brought about is more necessary than any other. So vital is it to our safety and prestige as a nation that the country is beginning to demand it, not as politicians seeking party advantage or working for the interests of one class or another, but as Britons for the mutual advantage of all classes, for the welfare of the nation.

I should like, if I may, to ask our opponents a fair question, What is your alternative to our proposal? Either you must agree with us, or you must propose some other method, for you cannot sit down and say that nothing shall be done to set right a thing which you admit to be wrong. There are only two alternatives,

between which there is no possible middle course. Either you must establish a system under which every citizen will take an equal share of the first duty of citizenship, or you must pay men to do the duty for you. Which is the better system, which will you have ?

If you choose the system of payment you will not get the best men or all those who ought to serve. You will get the poor while the rich will escape. You will get the weak because the strong will have more profitable employment. Would that be a fair system as between man and man ? Would it be in accordance with the true principle of democracy ? Again, I ask, which is more manly, to do your own fighting or to pay other men to do it for you ?

These briefly are the reasons why we maintain that the only fair system, the only effective system and the only democratic system is that every able-bodied man should take his turn of service in the Home Defence Army.

Are we afraid of a bit of soldiering for our young men when they enter manhood ? Can it do them any harm ? On the contrary, it will do them all the good in the world. It will teach them patriotism and a sense of responsibility as citizens of the greatest Empire the world has ever seen. For the rich and luxurious it will be wholesome discipline ; for the poor and hard-working it will be healthy recreation. When young men of all classes stand side by side in the ranks to learn their common duty to their country they will get to know one another and to like and respect one another. Thus we shall soften the animosities and bridge over the gulfs which unhappily exist between one class and another. It will be in itself a great social reform, and it will prepare the way for other social reforms.

AMPTHILL.

TRADING COMPANIES AS EMPIRE BUILDERS

By DOROTHY A. E. VEAL, B.A.

LORD MACAULAY describes the acquisition and government of India by a trading company as "prodigies to which the world has seen nothing similar." But had it been his fortune to be alive to-day he would have been privileged to behold many similar prodigies of nearly equal magnitude; for it is no inconsiderable portion of the British Empire that has been incidentally acquired by individual enterprise engaged in the pursuit of trade.

The trading ventures in addition to the East Indian Company, which have been most active in Empire building, have been the Hudson's Bay, British South African, Imperial and British East African and Royal Niger Companies. The first presented to the Empire all that part of Canada that is not included in the provinces of Quebec, Ontario, Nova Scotia, and New Brunswick, and the area of Canada is very little less than that of Europe. The gift of the British South African Company was Rhodesia, a district equal in extent to the whole of Europe outside Russia. And mercantile operations of lesser fame in other parts of Africa have made vast and valuable additions to the Empire in Gambia, the Gold Coast Colony, Nigeria, Borneo, and British East Africa. That the flag follows trade is no less true than that trade follows the flag.

These undertakings had been, in the first place, purely commercial in character, but it was soon found impossible to keep distinct the issues of trade and politics. There were circumstances connected with these new and unclaimed lands that appealed to attachments formed in earlier life, and the traders found their country still compelling them to serve her long after they had left her shores behind them. Their destiny did not allow them to pursue their own aims independently of her interests. So they were borne into the whirlpool of international politics. They carried on wars and made and unmade kings with the irresponsibility of a general of the old Roman Republic. They left clerks' desks to command armies and govern empires. And their

ambitions, and what is more strange, their abilities developed in proportion to the responsibilities that were thrust upon them. Their stories are as full of stirring adventures as those of a hero of romance. Situated as they were in a primitive environment where political organisation was non-existent, there was nothing to limit the scope or restrict the free operation of their natural vigour and ability. The rise to power of Robert Clive, Warren Hastings, and Cecil Rhodes are instances of the realization of Carlyle's ideal, cases in which the king by nature, the able man, became the king in deed and in fact.

The East Indian is the oldest and most celebrated of oversea trading companies, having obtained its charter from Queen Elizabeth on the last day of the year 1600. The monopoly thereby conferred upon the Company did not by any means deliver it from Portuguese, Dutch, French, and occasionally English competition. But that of the French was the most serious, and in the first half of the eighteenth century brought on the gravest crisis in the history of British India. The eventual triumph of the English, of which the earlier events of the struggle gave no promise, was due to the appearance of genius and capacity in an unexpected quarter, in Robert Clive, a scapegrace youth of humble station, whom his family, blind to his abilities and despairing from the wildness of his character, had shipped off to India to be out of the way, and who was the instrument selected by Providence to conquer India for the British Empire. His successor, Warren Hastings, was another whose rise to fortune was equally romantic, his services to the British Empire hardly less important than Clive's. The work of conquest was continued and completed by their successors in the Governorship, the most celebrated of whom were Lord Wellesley, Lord William Bentinck, and Lord Dalhousie. It was not till the occurrence of the Indian Mutiny, the most terrible episode in the history of a country whose annals contain not a few criminal and bloodstained pages, that the Imperial career of the East Indian Company was brought to a close. Its record of administration, although not unstained by acts of injustice and extortion, is on the whole one of singular humanity and purity, and to this Lord Macaulay, no partial critic, has borne testimony.

The Hudson's Bay Company was founded in 1670 by Prince Rupert and a body of associates, all the lands whose streams water the Hudson's Bay being allotted to it as the scene of its operations. In the fur trade in which it engaged it soon had to encounter a rival and competitor in the French. The two races came into collision simultaneously in Canada and India, and with the same results. The Hudson's Bay Company was relieved from the rivalry of the French only to encounter the illegitimate

competition of compatriots, which was not ended till its amalgamation with the North West Company of Montreal in 1821. The decline of its political power commenced soon after this, first Oregon was ceded to the United States of America, next its territory was further circumscribed by the formation of the colonies of Vancouver Island and British Columbia; finally, in 1869 its political existence was brought to an end by the cession of Rupert's Land to the Canadian Government.

Africa was the field reserved for the trading ventures of the nineteenth century. There is only space here to touch lightly upon the achievements of two of these, the British South African and Imperial British East African Companies, who had to deal with a situation of far-reaching political significance. It has its parallel in North America at the outbreak of the Seven Years' War. The objects of French ambition in America and German in Africa were identical, and were to confine the British to a strip of territory along the coast, and eventually to expel them altogether from the country, while reserving for themselves the "hinterland," or vast stretch of unclaimed territory beyond. It was left to a capitalist in Rhodesia and a few missionaries in Uganda to frustrate these far-reaching designs.

Cecil Rhodes employed the resources of the British South African Company in the acquisition of Rhodesia. The Imperial British East African Company was encouraged by missionary support to keep the Union Jack flying in Uganda. It was later in the day when the British Government grasped what individuals on the spot had long before comprehended and stepped in to carry their work to completion. We who have been privileged to behold the grand finale to the South African history of the last quarter of the last century, are presented with the clue to its solution, and can see that the Jameson Raid, the famous Kruger telegram, the South African War itself, were all events of varying importance in a struggle for supremacy. And in the light of this circumstance the service of those who preserved South Africa for the Empire seems on a par with that of Chatham and his coadjutors who maintained Anglo-Saxon dominion in America.

The history of these oversea trading ventures is broadly typical of that of modern Europe, and incidentally bears reference to the nations who have successfully held the hegemony. For to aspire after oversea dominion has always been a consequence of growth in national greatness, and so in the fortunes of the trading companies, their successes and their failures, are reflected those of their respective states, Spain, Holland, France, and lastly the two competitors who still hold the field, England and Germany. The division of the vast unallotted territories in the other four continents among the nations of Europe has been the

distinctive feature of modern history, as that of those that lie around the Middle Sea of ancient history.

And it seems to have been designed that England shall play the part of a second Rome, and arriving late upon the field, conquer and dispossess those who were there before her. Unlike Rome she has left the work of acquisition to individuals, but when it has been completed, and she deems the time ripe for its intervention, her government steps in and takes over the administration of the territories that have been won. The task which now faces it is that of consolidation, and it has to be seen whether collective action will acquit itself as creditably in this sphere as has individual in that of acquisition.

D. VEAL.

COAL IN SOUTHERN NIGERIA

FROM the report on the results of the mineral survey in Southern Nigeria we learn that the investigation of the coal deposits to the north and northwest of Udi has been continued, and some new occurrences of importance discovered. Seams varying in thickness from 10 inches to 4 feet 9 inches have been found at various localities in the Okwoga district, proving the northerly extension of the coal deposits well beyond the limit reached during the work of the previous season. Still more important is the discovery of coal of fairly good quality in a seam 1 foot 8 inches thick in the Iyokolla river, 7 miles east of Adani and 56 miles due west of Okwoga station, showing the westerly extension of the coal deposits. This occurrence is of special importance on account of the fact that it is situated only 15 miles from Ogrugru on the Anambra river. The existence of a substantial coal seam in this district points to the desirability of a thorough investigation of the area being made. So far the examination of these coalfields has been limited to surface outcrops, but the fuller investigation by means of boring machinery is expected to yield interesting results.

THE NILGIRIS

By E. A. HELPS

To many Anglo-Indians the Nilgiris and Ootacamund are well known, but they are rarely visited by those of our countrymen who travel far afield to winter abroad, though they have a fine climate and magnificent scenery, and in addition offer considerable attractions to artists, sportsmen and ethnologists. For the last mentioned they have a peculiar interest, being the abode of hill tribes whose customs and habits have changed but little for several hundred years.

The Nilgiris (*nila* blue, and *giri* a hill)—thus named by the dwellers of the plains from the blue haze in which they seemed to be enwrapped—is a mountain-system in the south-west of the Madras presidency, formed by the convergence of the Eastern and Western Ghauts. The greater part consists of a plateau, about thirty miles in length by twenty broad, averaging about 6,000 feet in height, and separated from Mysore on the north by a wide valley, called the Mysore Ditch.

The district called the Nilgiris includes another plateau, about 3,000 feet in height, branching off to the south-west, called the Wynaad—a land of forest, swamp, paddy fields and tea and coffee plantations—bordering on Malabar; a valley, called the Ouchterlony after its discoverer, and a strip of jungle to the north of the great plateau.

I am here concerned only with the upper plateau, which to the ordinary visitor connotes the Nilgiris. This plateau, in which there is not a square mile of level ground, consists of numerous undulating hills, rising in places to ranges of some height: one running north and south almost divides the plateau; another, called the Kundah, forms a sort of rim to it on the south-west. The lower hills have rounded tops, and they give the impression of having been submerged. Their slopes are clothed with trees and shrubs interspersed by *sholas* or small woods in the ravines and valleys and creeping up the sides of the hills. Many of the hills are crowned with native villages, surrounded by patches of

red-soil under cultivation, and in some parts coffee and tea plantations cover the slopes.

In the Kundah range only, where several of the mountains are above 8,000 feet in height, are bold peaks and precipitous sides to be seen. The Boer would call it a land of kopjes, I imagine.

There are not many large rivers in the plateau, but hundreds of streams with rocky beds, resembling Scotch burns.

Though the Nilgiris are only about eleven degrees from the Equator the climate is temperate, the average maximum at Ootacamund for the five years 1901-1906 being 65·6 and the minimum 49·5. The early mornings are delicious; the sunsets often equal those of Egypt. At Kotagiri we could walk under an Italian sky in the fine bracing air, with no more discomfort than one experiences on a hot July or August day in England. One can sit out in a verandah all day, and sleep under blankets at night, and the effect of the air upon the appetite is such as to demand considerable restraint. No wonder that Anglo-Indians flock here from the plains in the hot season, and that their children look upon it as a Paradise. The only stations of any importance on the plateau are Ootacamund, Coonoor and Kotagiri, the two former joined by a rack railway with the railway system of the plains. Good mountain roads also connect these places with one another and the plain.

These stations afford a most pleasing diversity of climate, scenery and society. Coonoor is in a kind of basin of luxuriant vegetation, with fine outlooks to the mountains here and there, and beautiful gardens. Kotagiri, the most isolated of the three stations, with grand wild scenery, sparse population and numerous tea plantations, and Ootacamund, the fashionable, with its smart bungalows, lake and park, surrounded by some of the finest scenery in the hills. All these stations have excellent hotels and clubs, where visitors are welcomed; lawn tennis, golf and Badminton are much in evidence, and society in the season consists of a very pleasant and interesting mixture of the Indian services (civil and military), together with the residents, who number amongst them many widows and daughters of Indian civil servants, a sprinkling of planters and their wives, and an occasional sportsman.

The Nilgiris have a very varied flora, partly owing to the fact that the rainfall (monsoons) depends on whether the slope is East or West. The forests contain many tropical and deciduous trees, and, owing to the great variety of the foliage and the flowering trees, are very beautiful. In certain lights, or when bathed by the setting sun, the tints of pink, brown, yellow and green mellowed and blended endue them with an almost unearthly

beauty. The rhododendron, rattan, tree ferns, creepers of great size and many varieties of fern all contribute to the fascination of these forests. Low down on the slopes are many kinds of shrubs, among which *strobilanthes* (*Acanthæ*), of which there are many species, is the predominant feature. It is however impossible to give here any idea of the variety, richness and beauty of the forests and jungle.

To make good the ravages caused by the natives using the forest trees for firewood, the government has planted many Australian trees and shrubs, all of which have flourished. Chief among these are varieties of the gum tree, the acacia eucalyptus and the wattle with its beautiful yellow flower. There are also large virgin forests reserved by the government.

The open spaces of the plateau are clothed by a coarse grass, and on these the scanty herds of sheep and goats are pastured. About Ootacamund the lower hills somewhat resemble our downs.

English fruit-trees, vegetables, fruit and flowers are all successfully cultivated. Nearly all our flowers flourish, and many *blossom all the year round*. The roses, however, lack the form, beauty and scent of ours, though the wild rose excels ours in size and beauty. The guava plant is here in abundance, and there are wild raspberries, blackberries and bilberries.

The fauna of the Nilgiris includes the elephant (only to be found in certain low-lying jungles), the sambur and other deer, tiger, leopard, bear, pig, bison (rare), the ibex, dear to the sportsman's heart, and wild cats, etc. Among the game birds are jungle and pea-fowl, wood-cock, green pigeon, quail and snipe. Carp and trout of some size are found in some rivers—I read lately of trout of over 3 lbs. being caught near Ootacamund, and a fine tiger, 9 feet from nose to tail, was shot near Kotagiri by a sportswoman staying at our hotel. She heard of a "kill" at some distance, went to the place, pluckily lay in wait for the tiger and shot it.

The population of the Nilgiri district, is, I believe, about 120,000. It is very polyglot. Besides the resident Europeans there are Eurasians, Mahomedans, Tamils (Vellalas and Paraiyans), Telegus, a few Parsis, and the hill tribes—Todas, Badagas, Kotas, Kurumbas, and Irulas. The attempt to distinguish these as they streamed through the bazaars afforded us endless occupation and interest, as did also their habits, manners and dress.

Among the hill tribes the Todas, the ancient lords of the soil, are most worth studying. They are of fine physique, and possess considerable dignity; the men tall, well-proportioned and hirsute. The women, whose reputation for morality is not high,

wear long side-locks: their dress consists of one cloth draped about them.

The Todas look down upon the other tribes, who pay them tribute. They are a pastoral people making no attempt to cultivate the soil, but subsisting upon the produce of their herds of buffaloes and the grain paid as tribute. Infanticide and polyandry used to be practised. They worship certain deities, whom they believe to inhabit the mountain heights, also Vishnu and other Hindu gods, as to whom they are rather vague. Their dairy arrangements—of which a curious feature is that the women are not allowed to take any part in them—are almost religious ceremonies. Priests are appointed to each dairy, and certain buffaloes are set apart as sacred. They have medicine-men and magicians, who lay spells upon enemies, and certain families are said to possess mystic powers. I was told the following story by one who knew them well. A certain sportsman had offended a Toda by not rewarding him sufficiently for his services. In revenge the Toda “tied up his gun.” The sportsman laughed at this threat, but, though shooting in a district full of game, not a thing could he bring to bag. Finally, after spending much ammunition, he concluded to return to the Toda and give him a further reward. This done, the ban was removed and his shooting again became effective.

They live in very small communities: there are, I believe, only about 800 of them, and they are said to be dwindling in numbers from drink and disease. Their huts, constructed of wood, are the shape of a barrel cut in half and placed on the ground, the entrance being so low that one has to crawl in on hands and knees; they are surrounded by a rude wall.

Their funeral rites are very elaborate; they have a “green” and a “dry” funeral at an interval of some months; at the latter sacrifices are made.

By far the largest, most intelligent and progressive tribe is that of the Badagas, who are supposed to have migrated from the north in the twelfth century. They are to be found in scattered communities, their villages generally crowning some hill-top on the slopes of which they grow grain. They are now largely employed on the tea and coffee estates, and in consequence their condition has greatly improved, and their mode of life altered—not in all respects for the better, as they are now able to obtain drink. Tiled houses, superior to the cabins to be seen in Ireland, are now to be found in many villages. The people are of slight build, but wiry, with good features and fine eyes. They are said to be a cheery people with a sense of humour, and I was told that they have some folk-lore in the shape of songs handed down by their

ancestors. They are divided into many castes. The women seem to do most of the field work : the girls (who when of a marriageable age are tattooed) have the advantage of their western sisters, for they are allowed to choose their husbands. Vishnu and several other deities are worshipped. Their temples are of a very primitive kind. They indulge in the most complicated and expensive funerals, upon which I was told they expend much of what they earn. In some cases the sins of the deceased are bestowed upon a scape-goat—or rather scape-calf. They have many festivals including a fire-walking ceremony, which we just missed. We were however fortunate enough to see the great festival to the goddess Kali, who wards off disease, held on the Monday after the first new moon in March.

It was held in a wide open valley, on the slope of which a large Badaga village is situated. Gay holiday crowds came flocking in from all directions, the Bagadas all dressed in clean white cloths, which report says are washed but once annually—for this occasion. The young girls dressed in one cloth reaching to the knees, another draped across the shoulders, and a third forming a sort of cap, with the end streaming behind, made a charming sight. The dress displayed to advantage their delicate features, large lustrous eyes and clear pale brown skins. They tripped along with the gait of young goddesses : a joy to behold. Many of them wore beautiful silver necklets, armlets and anklets, and a group of happy girls stopped as they passed my wife, and showed her their ornaments with child-like glee, followed by a group of women who went through the same performance in friendly rivalry. Any lack of colour in the Badaga dress was made good by the resplendent garments of the Tamils, Telegus and Mahomedans, who came in their best array to see and be seen. Brightest scarlets and yellows of different shades prevailed, but greens, mauves and pinks were also in evidence. Each group as it passed was a study in colour, and indeed also of form, for the dresses were worn with dignity and grace. It was especially noticeable how the typical features of each race or tribe were revealed in the individual—no doubt the effects of tribal integrity, and of caste.

At one end of the valley was the temple, its walls adorned with rude paintings of men and animals, and clay figures of horses standing outside, ready for the gods should they wish to use them. This was surrounded by groups of men squatting on the ground, awaiting their hours for worship. At a little distance was the incongruous spectacle of a merry-go-round, patronised largely by grown-ups, the music provided by a Kota band consisting of two flute-like instruments and a tom-tom, the beater of which broke

out spasmodically into weird chants in a high nasal voice; the tune and rhythm were, however, really excellent. A little further on a bazaar or market was in full swing, the vendors, chiefly Tamils, sitting on the ground with their wares, consisting of different kinds of grain, fruit and cakes, cloths, and small articles from Birmingham spread out on the ground in front of them. Wooden combs, for the male Tamil takes much pride in his hair, were in great demand, and cooking of all sorts was going on with the primitive chatty.

On the opposite side of the valley a crowd was grouped round some dancers, whose religious fervour had too evidently been inspired by native beer. With dazed eyes they gyrated in wild leaps, bounds and somersaults, occasionally falling exhausted on the ground. Later on a great procession was formed carrying the shrine of the goddess Kali under a huge painted umbrella. The shrine was preceded by a line of men dancers, who with joined hands advanced by regular steps something like those of the barn-dance. They were followed by a band of swarthy Kotas, playing on their rude horns and tom-toms; these with their masses of black hair parted in the middle and tied in a knot behind, clad in the dingiest of garments, which at some remote time had been white, presented a truly wild appearance. In advance of this procession skirmished a troop of half-clad boys dancing and skipping in a frenzy of delight.

Among the other tribes the Kotas are the artisans and musicians. They seem to be able to turn their hands to any work. Whilst we were at Kotagiri three or four Kotas squatted on a mound in the village by the side of the road, and remained there for some time mending boots, shoes, and sandals—including some of ours. The Todas and Badagas regard them with contempt, as eaters of carrion.

The Kurumbas and Irulas were originally jungle tribes; they still live more or less secluded in primitive huts made of wattle and mud. The Kurumbas are supposed to possess magical powers upon which they trade largely. Every Badaga village has a Kurumba attached to it as a sort of augur, to be consulted upon any crisis and to officiate at the ceremonies of the village. Their religious ideas are, I believe, very vague. The Irulas are of very poor physique, and, judging by what we saw, they seem to be the lowest, physically and mentally, of the tribes.

The history of these tribes is obscure. The first recorded mention of the Todas I find was in 1117 A.D.; later a Jesuit priest visiting the Nilgiris in 1602 describes the Todas and Badagas as settled there in much the same relations as exist now.* The

* Taken with some other facts from the Madras Gazetteer.

only evidences of an earlier occupation of the Nilgiris consists of one or two forts, some old gold workings, and the numerous cairns, barrows, dolmens and cromlechs (if these remains can be thus styled) to be found, many of which have been explored by European visitors.

Some of the cromlechs are built of three slabs of stone, set on end, with another on the top, and the inner side of the slab facing the entrance often has figures sculptured on it; circular walls or circles of detached stones generally enclose these. Others are constructed of six slabs, with a round aperture in one of these set on end.

The cairns and barrows are of earlier date. Among the remains found in these are curious long cylindrical vessels, somewhat like amphorae, but with domed lids ornamented with grotesque figures of men, women and animals, the men bearded and the women wearing a headdress like Phrygian caps. Bronze vessels with flutings and lotus patterns, gold amulets, beads engraved with enamel, and pottery have also been found.

The age of these remains seems to be very doubtful; it is established, however, that many of the sculptures resemble those found in Coorg and Mysore. Certainly the sculptured figures we saw in two cromlechs represented a civilisation and artistic power far in advance of that of the tribes of these days; indeed, the wildest imagination could not accredit their ancestors with this work.

Any account of the Nilgiris which omitted to mention the tea plantations would be incomplete, for there are many thousands of acres under the cultivation of the tea plant (also coffee). We were invited to visit one of the largest estates, on a northern spur of the plateau, with magnificent views across the valley separating it from Mysore. Our kind host took us over his factory and showed us all the processes involved in the preparation of tea, from the bringing in of the green leaf to the packing of the tea. Some of the processes—notably the fermenting of the leaf—evidently require very delicate and skilful treatment. The factory, in which nearly all the work is done by natives, was a model of good organisation and cleanliness; the smell of the tea was delicious.

The work of a tea estate evidently demands much knowledge and unremitting attention and care, for not only do the plants require much attention at certain stages, but the preparation and packing, etc., of the tea goes on all the year round. Moreover, in out-of-the-way places, such as that we visited, a planter has to be his own scientist, builder, engineer, and doctor, for there is often illness among the coolies, and the need for some simple surgical skill. The despatch and sale of the tea also, of course,

involves much clerical work. The life of a planter is therefore, I imagine, a somewhat anxious one, though there are many compensating advantages in the freedom of life, the fine air and beautiful surroundings, the sport available, and the absence of the many little worries inseparable from a more conventional life.

To get to the Nilgiris we had to tranship at Colombo, sail thence by British-India ship to Tuticorin, and travel through the plains by rail to the foot of the hills—a rather tedious and tiresome route. But now a route is open, or shortly to be opened, by which the traveller to South India will go by rail from Colombo through the heart of Ceylon, and across the islands lying between it and India. This route will enable the traveller to see some of the finest scenery in Ceylon, and also to visit the exceedingly interesting temple of Rameswaram, situated on one of the islands lying between Ceylon and India.

E. A. HELPS.

AGRICULTURE IN BASUTOLAND

Much useful work has been done in Basutoland in the direction of donga prevention. Two dongas on the Maseru reserve have been fenced in and stone dams either repaired or built to collect silt for tree planting, and the dongas themselves and the ground within the fencing planted with poplar, willow, wild cherry and robinia and the dry banks with American aloe and prickly pear. Some 3,000 pine trees have also been planted along the sides of one of these dongas, which it is hoped will tend to stop the rush of water. Owing to the severe drought the trees have not done so well as was hoped. At Teyateyaneng a piece of land very badly cut into by dongas has been fenced in for experimental purposes, and some 30,000 poplar and willow trees have been planted in the enclosure, which, considering the bad year, have done well. Afforestation is receiving the serious attention of the Government. But they have to contend with the apathy and indifference of the natives to the evils of soil erosion and their failure to appreciate the commercial importance of tree planting. During the coming year it is proposed to establish a small agricultural school and farm near Maseru, mainly for demonstrative and educational work. Here pupils will, it is hoped, gain by actual labour some knowledge and skill in farming operations.

REMINISCENCES OF A B.S.A. POLICEMAN

By E. B. BAKER

(Continued from p. 276.)

II

IN the Rukori there are practically no cattle. The natives own a few sheep and fair quantities of goats; the latter constitute their principal form of wealth, and are used for *robora* (payment made for a wife).

Here, as elsewhere, dogs are much prized. A native will readily pay a good price for a dog of European breed, particularly a sporting dog. Their own dogs are small and of mixed types. They are fairly useful in running down wounded buck, and have the usual qualities of mongrels, but are generally in too poor condition to do justice to such powers as they possess. There is evidently a strain of the wild jackal running through the breed. Many of the dogs, being half wild, become commixed with jackals, and it was supposed when an outbreak of rabies occurred some years ago that the infection had originated by means of contagion with diseased jackals. Recurrent outbreaks have occurred from time to time, affecting not only dogs, but other domestic animals. The precautions taken for guarding against the future reappearance of the malady, and limiting its extent when discovered, render any anxiety on that head quite unnecessary.

It behoves the traveller in the Rukori to have a care for his supply of water. On one occasion I was visiting kraals, and after leaving the pools where we had breakfasted about midday, started on a long trek towards another kraal. I was new to the district, and either misunderstood the directions given me at the last kraal I had visited or was misdirected. Sundown found us, having covered about eighteen miles through perfectly dry country, on the banks of a small river-bed, also dry. It was useless to go further that night, and as we found a *msarsa* ready built by the side of the watercourse, I decided to stay there until morning. We tried to get water by digging in the river-bed, and

succeeded in reaching damp sand, but the water was evidently six or eight feet down, and we had no implements for excavating, so our efforts in that direction were fruitless.

The grunting of a lion helped to keep us awake throughout the night, and an attack of fever intensified a burning thirst, which I could only endeavour to alleviate with an occasional spoonful of jam from a tin I had with me.

At daybreak we set out to retrace our steps. At about eleven o'clock, when we had nearly arrived at the pool whence we had set out the previous day, we met some natives who were carrying large gourds filled with water in preparation for the long march in front of them. I fear they had to return for a fresh supply; we were in no mood to stand on ceremony, but fell upon the water without preamble. The donkey's distress on finding the neck of the gourd too narrow for his muzzle was acute, until I relieved him with a drink out of my hat.

We learned then that the path was regularly used by natives travelling to and from the Portuguese Territory, who invariably took a good supply of water with them, and some of whom had built the *msarsa* where we had slept.

Camels were introduced into Southern Rhodesia about eight years ago, and were found to be very imperfectly suited to the country. For travelling in the flat sandy parts of the Rukori and Dandi country they would be valuable for their qualities of speed and power of subsisting for a considerable period without water. For a time they were used in various parts, but in the rainy season were often more of a hindrance than a help. On coming to a drift or swampy part which presented unusual difficulties (to them), they would lie down with the apparent intention of staying there until the dry weather came round again. A camel would sometimes be harnessed to a wagon in front of a span of donkeys with satisfactory results on ground which suited him: otherwise, when he resigned himself to his fate in a swamp, he merely constituted an impediment to the progress of everything behind him. Several specimens, belonging to farmers or miners, developed an unaccountable propensity for committing suicide by drinking out of cyanide tanks near a mine.

Horses and mules become fairly well accustomed to camels by association, but the arrival of the first consignment in Salisbury was marked by a general stampede of terrified horses through the streets.

South of the Rukori the country is divided by the Inyadiri river into the Mtoko district on the east, and the Fungwi (part of Mrewa) on the west. The northern portion of the Fungwi is to a great extent a replica of the Rukori, but far more fertile and mountainous in the southern part.

It has been my habit to make sketch maps of the country I passed through from time to time. North-east from Chinduka's kraal on the Inyadiri river there are two convenient hills for taking bearings; on one I found a rather good specimen of a rocking stone; a huge boulder, poised on another rock, could be swung to and fro with a motion of the hand, but could not be dislodged from its position.

On the other kopje were the remains of some fortifications. The natives knew so much, but were quite unable to suggest the probable date of their erection. I should say that they are of comparatively recent construction. The position was well chosen; the hill, being naturally so steep as to be hardly accessible, had been rendered almost impregnable by a little artificial strengthening; while the proximity of the Inyadiri river reduced the defenders' chances of being forced to surrender on account of thirst.

It is certain that the use of slings for warlike purposes was known to the natives, though I have not heard of their being employed at the present day: I found among the stones on the hill-top, a water-worn egg-shaped piece of quartz, and the purpose of this and similar stones was plainly described by a native, leaving no doubt that stones for slinging were collected from the river and stored in the fort in preparation for a raid such as might, in past days, be expected from the Matabele.

Mount Ruchenga is about fifteen miles to the north-east of Chinduka; the country lying between these two points is very sparsely inhabited, Beburi being the only kraal of any size.

There are some very fine large wild cats (local name "bonga") in this part, and troops of small grey monkeys may sometimes be seen. The latter are not remarkably shy, and it is not hard to get a young monkey up a tree whence he cannot escape; his capture is fraught with considerable difficulty owing to his lightness, which enables him to retreat to the topmost boughs, and his piteous appeals for mercy render the task unpleasing.

There is, or was, a remarkably fine palm tree near Chinduka, probably the largest in Mashonaland, and a few smaller ones at different places in the vicinity.

In a previous year the rebellion of a native chief had been the occasion for establishing a fortified post on the border of the Fungwi, not far from Kateo's kraal. At the time of my visit the nearest police camp was many miles from the Fungwi, and an induna named Mtegedi, with a small following, had taken advantage of the fact to terrorise the district.

The band had robbed of their accumulated savings and murdered four natives who were returning from the mines to Portuguese territory, and once at a kraal when their demands for food and beer were not satisfied, they stood four of the men up against a

wall and proceeded to shoot them in cold blood. Two were killed outright, the other two escaped and fled to Mrewa. Patrols were sent from various points, and the outlaw eventually became so hard pressed that he gave himself up to justice.

There cannot now be many still serving in the police who took part in the measures promoted by the authorities for the protection of the Chartered Company's territory at the time when the native chief Makombi revolted against the Portuguese Government in the year 1902.

A large proportion of the Company's available forces were posted at different points along the eastern border of Mashonaland with the object of preventing the incursion of fugitive rebels, or the transference of the disturbance to British soil. Zinto, Zuda, Nani, and other suitable places were fortified for the occasion; and a flying column, with which I served, patrolled the line of defences northwards from Umtali. The permanent post at Inyanga was made our base whence we visited the other forts. Inyanga stands about 9,000 feet above sea level, and is consequently very cold and bracing, rather too cold by contrast with the long valley lying northwards towards Nani. The country drops sharply about 2,000 feet within a few miles of the camp. Near Inyanga I saw one day an exposed pool of water frozen at two o'clock in the afternoon, the hottest time on a winter's day.

The whole district, both on the exposed plateau and in the valleys, is fertile, and is particularly well suited to sheep, which thrive better in the higher altitudes than elsewhere. Very fine fruit is grown on the Rhodes' Farm Estate, as well as cereals and tobacco.

Koodoo, zebra, sable, antelope, tsessebe, smaller buck, and quantities of partridges and guinea-fowl are to be found among the hills; and there are many varieties of wild fruits, the fig being perhaps the most common and certainly the pleasantest.

Numerous pits and terraces are scattered about the country in this direction, the terraces being evidently designed to keep the loose soil in position for agricultural purposes. The theory that the pits were merely pens for small domestic stock is hardly tenable, and is not now, I think, seriously entertained. While their object has not been definitely ascertained, the suggestion (by whom first advanced I do not know) that the pits were used for the detention of slaves seems to be generally accepted. The work of building the terraces must have entailed an enormous amount of labour, and the services of thousands of natives, probably in a state of slavery, would be required for its consummation. The smoothness of the inside walls of the pits, and the size of the narrow passage which can only be negotiated by a

small man in a stooping posture, would enable a single sentinel to frustrate with ease any attempt at escape on the part of those within.

After a short stay at Inyanga, we moved northwards to Nani, where we remained for a time and built a substantial fort of granite blocks. Later, passing through Inyanga again, we went south along the fine road built, I think, under the auspices of the late Cecil Rhodes, towards Umtali.

Near Grays' store we halted for a few days, and had opportunities of visiting a very fine waterfall made by the descent of the Pungwe river over a steep cliff. Game of all kinds is plentiful all about this part, klipspringer especially affecting the rocky hills in great numbers.

Lieutenant (then Sergeant) Thornton was on this patrol, and he gave a slight exhibition of his skill with the rifle at Grays' store which I have not forgotten. We were sitting on a rock overlooking the deep valley behind the store, and Thornton had his rifle, a Mannlicher fitted with Lyman aperture backsights, between his knees.

"What will you bet," he said, pointing towards the telephone line which we could barely see far down the valley, "that I can't hit that pole from here."

We made a small bet, I forget how much, and Thornton took long and steady aim and let go.

It looked an impossible shot—the iron pole, about five inches in diameter in the middle, was not easy to distinguish against the dark background; yet in answer to the shot, there came a faint ring of metal striking metal, and on going down to examine the target, we found an unmistakable bullet mark low down on the pole. He had sighted the rifle at 500, and aimed a little higher than he struck, so the distance along the line of sight must have been rather more than 500 yards. It was no fluke, for he did it again before we left.

The column soon afterwards left for Salisbury via Rusapi.

On the way down, while looking for a buck one morning, I had what was probably my first (certainly not my last) experience of a weed, whose official name I am unacquainted with, which is commonly designated "black jack." The plant grows in profusion in certain parts, and, presenting no apparent obstacle to one's progress, is disregarded by horse or man. On this occasion the horse merely walked straight through a patch of black jacks, and we emerged on the further side half covered with the black spiky seeds of the plant, which adhere tenaciously to anything with which they come in contact. It took me over half an hour to detach the seeds from myself and the breast and legs of the horse.

For many reasons the township of Victoria is one of the most interesting places in Mashonaland; it is the centre of what was once, and may be again, regarded as the most promising district in the country, on account of the fertility of the soil in the greater part of its area, and the possibility of very valuable, though hitherto latent, mineral resources.

Victoria is in reality the pioneer settlement of Mashonaland, for it was here that the British flag was first hoisted by the column of occupation on its way to Salisbury in 1893. The old fort is still standing; it is built in the form of an open square, with watch-towers at the north-eastern and south-west corners; it was here the European inhabitants of the district took shelter on the outbreak of hostilities with the natives in 1896, and it is to be hoped that the building will be preserved in its original form on account of the historical associations connected with the place.

Previous to their removal to more commodious quarters, the B.S.A. Police were, until recently, stationed in the fort. At present a small detachment occupies a portion of the building, part of the remainder being utilised as Government offices.

Of greater interest, of course, are the ancient ruins scattered about the district, the chief of which, Great Zimbabwe, seventeen miles from Victoria, is the objective of many visitors.

Some of the scenery in this district is very fine and well worth the attention of the amateur photographer. The Ruby Mine, for instance, is picturesquely situated among the hills to the west of the township. The hills are thickly wooded, and in summer the green foliage makes a striking contrast with the red soil. Near the mill the river pours down a steep gorge between two granite kopjes. Even finer are the gorges in the Inuni Hills, about sixteen miles south-east of Victoria, where the Popotekwe and Mtelikwe rivers respectively rush through their narrow channels, escaping towards the Lundi river southwards. I think the majority of settlers in that district betrayed very little interest in the question of more rapid means of communication with the world outside. There seemed to be a general feeling that things had gone very well without it, and a railway has its disadvantages as well as its benefits.

Telegraphic communication has been established throughout the country, the smaller settlements being connected with the towns by telephone. Victoria, like several other outside townships, received letters by means of a cart running twice weekly from the nearest railway terminus, in this case Selukwe.

Before the railway had penetrated far into Rhodesia, heavy coaches, constructed to carry a number of passengers, used to run two or three times a week between Salisbury and the south.

The journey from Bulawayo to Salisbury lasted about four days, or longer in the rainy season. The discomfort incurred by lady passengers may be imagined.

E. B. BAKER.

GOLD COAST LANDS

Land in the Gold Coast Colony belongs to the tribal " stools ; " theoretically there is no land without an owner. The ascertainment of the exact boundaries of tribal land is, however, often a matter of considerable difficulty, as towns and villages have sprung up with large tracts of intervening unoccupied land, sometimes dense forest, which is gradually brought under cultivation from either end. Now that the value of land is appreciated, boundary disputes frequently come before the Supreme Court, and in certain parts of the Colony, especially in the mining district of Wassaw, the limits of the lands adjoining tribal stools have been definitely prescribed.

The general principle laid down by judicial decisions is that all land within the recognised territory of a " stool " is the property of that stool. Thus, in the case of every head chief's division, where there are tribal and family stools in subordination to the head chief's stool, all lands within the recognised boundaries of the family or subordinate tribe are held to be attached to the family or tribal stool, but all other unoccupied lands are the property of the head chief's stool. An attempt was recently made in the courts to extend this principle so as to enable the head chief's stool to claim all cultivated land the original title to which, as is not uncommon in the case of lands under native tenure, is lost in obscurity ; but, though no limit of prescription is laid down by native law, the local Court of Appeal held that in the case of long occupation and when there has been cultivation of permanent crops, such as sugar-cane and cocoa, as opposed to the usual shifting cultivation of yams, plantains, and similar food products, the presumption is that the occupation was with the consent of the head chief's stool.

The Crown possesses no waste lands in the colony, but certain lands have been acquired by the Government from time to time, mostly under the provisions of the Public Lands Ordinance, 1876, which legalises compulsory acquisition for the services of the colony on payment of reasonable compensation.

SIDELIGHTS ON COLONIAL LIFE

South African Agriculture.

Speaking at the Dry Farming Congress in Johannesburg, Mr. Du Toit, who is in charge of the Government Experimental Farm at Lichtenberg, remarked that the advance of agriculture in the country during the last decade had broken all South African agricultural records. In the matter of sunshine, the Government Astronomer said that South Africa was one of the most favoured places in the world. It held the highest record of any place where records had been taken in a scientific manner over a period of years. In Europe the amount of sunshine varied from 24 per cent. of the duration of the sun above the horizon to 54 per cent. at Madrid, while at Johannesburg the percentage was 73. One peculiarity of the summer rainy season was that the quantity of sunshine increases as the days grow shorter, the month with most sunshine being August and the month with least sunshine February, the former being in the height of the dry season and the latter in the height of the rainy season.

South African Egg Industry.

Dr. Little, of the Grootfontein School of Agriculture, tells us that the South African climate is an ideal one for poultry, yet South Africa imported only £70,000 worth of eggs per annum. The industry, however, has shown remarkable improvement during the past eighteen months and people are awakening to the fact that a great and prosperous industry lies at their doors. As a result largely of Dr. Little's efforts, upwards of thirty egg circles have been, or are being, formed in the Cape Province, and the movement is gradually spreading. The King Williamstown circle has sent as its first consignment to the Johannesburg market, 7,000 dozens, for which satisfactory prices were realised. If this can be done in South Africa, why cannot it be done in Great Britain? True, the climate may not be so good as that of South Africa, but if egg circles can be formed in the Cape Province why not in the English counties?

The Best Settlers on Record.

Great satisfaction is expressed in Ontario at the number of first-class settlers who have made new homes in the province during the year. In fact, the Colonization Branch of the Ontario Department of Agriculture has experienced the most successful period in its work of emigration. The number of farm workers settled in positions has greatly exceeded any previous record, and more important still, they are said to be the best class of men yet secured. An analysis has been made which shows that they came from all parts of the British Isles, in the following proportions: sixty per cent. from England, twenty-five per cent. from Scotland, fifteen per cent. from Ireland.

Where Emigrants should Apply.

Intending emigrants will do well to apply to the Central Emigration Board (President, the Rt. Hon. the Viscount Portman), Cromwell House, Surrey Street, Strand, London, W.C. Here they will get the best and most up-to-date information. No charge of any kind is made.

Ontario the Stepping Stone.

Many people are already making arrangements to go to Canada in the early spring. Let me give them a little advice. Settle first in one of the eastern provinces, for it is well known that the winter climate of Western Canada is more severe than that, say, of Ontario. If the settler wants to go west later he can do so, and what is more, he will have gained experience in what is admitted to be an easier school. The Ontario Government fully recognises that a cordial welcome to travellers helps them to meet the changed conditions they must experience in a new country. They have therefore established a department under the supervision of an official familiar not only with conditions in Ontario, but with those in Great Britain. A special officer of the department meets the boat, and on arrival at Toronto, settlers are advised on questions of luggage and accommodation, and are quickly directed to the situations arranged for them. From the time of landing in Toronto until put on a train for the farm, the immigrant is under the care of Government officials. And official interest does not stop at that—each one is given a stamped postcard addressed, so that if in need of further advice, or a change of position, the settler has only to write the message and drop the card in the nearest post-box. It is satisfactory to know that children are often more of an asset than a liability, and receive payment when able to render any assistance in the work of the farm.

Educating the Colonial Farmer.

Schools of agriculture have been established on the Alberta Government demonstration farms at Claresholm, Vermillion and Medicine Hat. These have been built out of a legislative grant at a cost of thirty-six thousand dollars each. Each of the schools is situated on a farm 320 acres in extent, and an experimental plot of 20 acres will be set aside on each farm. Instruction for boys will include blacksmith work and carpentry, and there will be a domestic science course for girls. Another important point is that each of these schools is to be a centre from which agricultural information may be obtained. An automobile will be left at each school, and the staff principal will attend farmers' meetings and agricultural fairs in the neighbourhood, and will also, if necessary, visit farms when requested to do so in order to give first-hand advice on problems confronting the farmer. The school term will extend from the end of October to the end of March, so that boys attending the school may get in a full season's work on the farm. During the closed season the staffs will be employed in general agricultural improvement work, such as experimenting on the eradication of weeds, and probably in the organisation of farmers' industries, judging at fairs, and so on.

The Invaluable Alfalfa.

The farmer of Western Canada has, in the past, been considerably handicapped owing to the opinion that alfalfa could not be grown successfully; but the recent discoveries of the hardier strains of the plant places the North Western farmer on a footing with the stockbreeder of the South. While the climate of Western Canada is ideal in many respects for stock-raising, yet without this cheap and nutritious form of fodder it would hardly be possible to raise cattle economically. Alfalfa is a plant of comparatively recent origin, and its sterling qualities are just beginning to be realised and appreciated. It is safe to predict that the successful raising of this plant in the Canadian North West will prove to be a potent factor in bringing stock-raising generally and the dairy industry in particular to the forefront.

THE SILENT VELD

By W. P. TAYLOR

The golden grass is burnished by the sun,
Whose dazzling brightness bids the mirage dance.
Soaring o'er all, an eagle, 'neath whose eye
Are hills, and hills and ever hills beyond.
The grooved sides are filled
With yellow mimosa, whose scents are borne afar,
A tortuous river, dead and dry, upon whose banks' unconscious browse
the scattered buck
Soundless in this their sanctuary.

DIFFERING from pampas and prairie, the veld possesses its own atmosphere and characteristics, and in its vastness it commands, just as when, without civilisation's pale, it smiled in rude freedom and defied captivity. To-day, in parts, it still fights its conqueror hard, but he overcomes its most determined efforts, and what seemed impossible yesterday is now an accomplished fact.

In the old days of Van Pilbech and Van der Dtell, civilisation approached the unknown plains with timid steps, gradually pushing back the yellow Hottentot and Bushmen, and ever thinning out the vast herds of game that sullenly gave up ages of wildness to those forerunners and their followers. The voortrekker, or pioneer, encountered new wonders as he advanced into the solitude of the veld. To him it was eternal, for he called it "world." To-day it has lost its early roughness and cruelty. Its dangerous wild beasts have vanished to its remotest confines, but its sunny smile awaits those that seek it for milder sport, or to revel in its warmth. This land of kopjes and plains grows wild in its summer exuberance, and winter sees it holding its dry coat of golden grass that man burns in wanton waste with thoughtless heed.

Freedom and the veld go hand in hand. The Boer, who fought for his country, thought ever of his beloved veld. The men who never saw an end beyond the horizon, who felt in its embrace their steps could take them where they would, unencompassed by aught and ever bringing back recollections of that wild freedom that moved the pulses of their fathers in days gone by, and then, when the air was filled with the scent of shrub and

tree, and the morn tinged with cold, they breathed strength and willed with fearless optimism to dare and dare again.

The Indian summer of the Rockies lives its day, then comes a winter's blast that chills to death. Here the Indian summer lives on and sunshine reigns throughout—the bare-skinned native's only garb, his winter coat a cotton blanket.

The world's will is to have humanity increase. The strength of countries is gauged by human millions; when these overflow their lands, their surplus finds their homes in voids beyond the seas. When will, from those o'ercharged lands, come millions to this void? When will they fill these plains, and by their mighty millions change this scene again? To-day this land of hill and grass pours out its wealth of gems and gold, and with the chaste white feather seemingly directs her gifts to the daughters of Eve. What gifts are hidden still? In sphinx-like silence in the lonely veld are ancient mines dug a long, long time ago. Those holes that ancient hands have made, will they yet tell their tale? The voortrekkers' world is very wide, but man in time will spread o'er all its limits and unravel all its secrets.

The pen that wrote "Lallah Rooke" portrayed a Persian Paradise that lives in vivid colours under many skies. The sighs of the divine Dante over his beloved Arno and Florentine hills has filled the world with emotion. Bret Harte has made the points of imaginary pine needles touch you in his realism, and here races have come and gone, armies have trampled its face, and though men have loved it, to die for it without thought of recompense. The world knows the veld more through those counters that have left their pangs in many a home across the seas, for the virility and sullenness of its sons and the strength that has tested that of a nation, but the true voice of the veld has not reached the unknown ear, nor does its voice call the peoples from afar. But here, the world is young.

See yonder on the red earth sits a black urchin; he holds his foot within his hands and with the placidity of a stoic draws out a long-pointed mimosa thorn, behind him and around nestle warm, brown, grassy huts, like huge beehives, and touching their sides are soft green branches, that lightly throw their shade. Beyond are pigmy hills with purple rocks bulging from their sides, contrasting their colour with the grasses' gold. In lazy happiness the cattle lie around, and there from out a vaal bush peers a buck. The road winds through the kloof, and come and go, no man will say you nay, for this is Africa—the veld and freedom.

W. P. TAYLOR.

INDIAN AND COLONIAL INVESTMENTS

By TRUSTEE

WITH the easier monetary conditions expected to rule in the new year it is possible that the large blocks of securities with which underwriters are overloaded may find permanent homes at a more rapid rate, but it must be some considerable time before the market becomes normal in this respect, and a period of caution and retrenchment in respect of new issues of stock is still very desirable. During the last month of 1913 several causes have contributed to keep the stock markets in a state of depression. Apart from the borrowing in London, the condition of financial affairs on the Continent, especially in France, where the overthrow of the Ministry has plunged the Government finance into a state of extreme uncertainty, has reacted unfavourably on English securities; while the holiday spirit has tended still further to restrict public support for the markets.

Further heavy falls have occurred in Indian Government securities, partly as a natural accompaniment of the renewed depression in Consols and partly as a result of the serious trouble among native-managed banks in the Dependency. While the European-managed institutions have, if anything, gained prestige by the unfortunate failures, the trouble has naturally caused much uneasiness and some realisation of Indian securities.

INDIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
INDIA.					
3½% Stock (t) . . .	£ 91,276,210	1931	85½	4½	Quarterly.
3% " (t) . . .	66,480,596	1948	72½	4½	
2½% " Inscribed (t) . . .	11,892,207	1926	61	4½	
3½% Rupee Paper 1854-5	..	(a)	95½	3½	30 June—31 Dec.
3% " " 1896-7	..	1916	81	3½	30 June—30 Dec.

(t) Eligible for Trustee Investments.

(a) Redeemable at a Quarter's notice.

INDIAN RAILWAYS AND BANKS.

Title.	Subscribed.	Last year's Dividend.	Share or Stock.	Price.	Yield.
RAILWAYS.					
	£				
Assam—Bengal, L., guaranteed 3% . .	1,500,000	3	100	74	4
Bengal and North-Western (Limited)	3,000,000	8	100	154	5 $\frac{3}{8}$
Bengal Doocars, L.	400,000	6	100	108 $\frac{1}{2}$	5 $\frac{1}{8}$
Bengal Nagpur (L), gtd. 4% + $\frac{1}{4}$ th profits	3,000,000	5	100	114 $\frac{1}{2}$	4 $\frac{1}{8}$
Burma Guar. 2 $\frac{1}{2}$ % and propn. of profits	3,000,000	4 $\frac{1}{2}$	100	108 $\frac{1}{2}$	4 $\frac{1}{8}$
Delhi Umballa Kalka, L., guar. 3 $\frac{1}{4}$ % + } net earnings }	800,000	9 $\frac{1}{2}$	100	197	4 $\frac{1}{8}$
East Indian Def. ann. cap. g. 4% + $\frac{1}{8}$ % sur. profits }	1,721,949	6 $\frac{2}{3}$	100	98 $\frac{1}{2}$	6 $\frac{1}{2}$
Do. do, class "D," repayable 1953 (t) .	4,828,051	5 $\frac{7}{8}$	100	119 $\frac{1}{2}$	4 $\frac{7}{8}$
Do. 4 $\frac{1}{2}$ % perpet. deb. stock (t)	1,435,650	4 $\frac{1}{2}$	100	111	4
Do. new 3% deb. red. (t)	8,000,000	3	100	72	4 $\frac{1}{8}$
Great Indian Peninsula 4% deb. Stock (t)	2,701,450	4	100	98	4 $\frac{1}{8}$
Do. 3% Gua. and $\frac{1}{8}$ % surp. profits 1925 (t)	2,575,000	4 $\frac{3}{8}$	100	97 $\frac{1}{2}$ x	4 $\frac{1}{8}$
Madras and South Mahratta	5,000,000	5	100	114 $\frac{1}{2}$	4 $\frac{1}{8}$
Nizam's State Rail. Gtd. 5% Stock . .	2,000,000	5	100	99	5
Do. 3 $\frac{1}{2}$ % red. mort. debs.	1,063,800	3 $\frac{1}{2}$	100	77	4 $\frac{1}{2}$
Rohilkund and Kumaon, Limited	400,000	7 $\frac{1}{2}$	100	154 $\frac{1}{2}$	4 $\frac{1}{8}$
South Behar, Limited	379,580	5	100	103	4 $\frac{1}{8}$
South Indian 4 $\frac{1}{2}$ % per. deb. stock, gtd.	425,000	4 $\frac{1}{2}$	100	110	4 $\frac{1}{8}$
Southern Punjab, Limited	1,000,000	10	100	163 $\frac{1}{2}$	6 $\frac{1}{8}$
Do. 3 $\frac{1}{2}$ % deb. stock red.	500,000	3 $\frac{1}{2}$	100	80	4 $\frac{1}{8}$
West of India Portuguese Guar. L. . . .	800,000	5	100	91	5 $\frac{7}{8}$
Do. 5% debenture stock	550,000	5	100	100	5 $\frac{1}{8}$
BANKS.					
	Number of Shares.				
Chartered Bank of India, Australia, } and China }	60,000	16 $\frac{1}{2}$	20	59 $\frac{1}{2}$	5 $\frac{1}{2}$
National Bank of India	80,000	14	12 $\frac{1}{2}$	40	4 $\frac{3}{8}$

(t) Eligible for Trustee investments.

(x) Ex dividend.

Considerable attention has been devoted in London financial circles to the question of Canadian borrowing. Keen discussion has centered on the question whether the Dominion as a whole has not been raising capital in the mother country on too lavish a scale. The prosperity of Canada and its wonderful resources and progress are fully recognised, but even so it is thought that there is a limit to the extent to which the country may carry its borrowing consistently with sound economic principles. This discussion has already had its effect on the market, and it seems likely that Canadian authorities and companies will obtain far less favourable terms for their loans than has hitherto been the case.

An offer of four millions sterling of 4 per cent. at 97 by the Dominion itself was largely responsible for raising the discussion. Coming before the instalments on the Dominion's last loan were completed, the issue was regarded as somewhat ill-timed and as much as 83 per cent. of it went to the underwriters. The issue was made for the purpose of meeting Treasury Bills shortly

CANADIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3½% Regd. Stock . .	28,162,776	1930-50*	89	4½	1 Jan.—1 July.
PROVINCIAL.					
ALBERTA.					
4% Debs.	411,000	1938	92	4½	1 June—1 Dec.
BRITISH COLUMBIA.					
3% Inscribed Stock .	2,045,760	1941	75z	4½	1 Jan.—1 July.
MANITOBA.					
4% Regd. Stock . .	1,915,000	1950	90	4½ ⁹ / ₁₆	1 May—1 Nov.
NEW BRUNSWICK.					
4% Regd. Stock . .	450,000	1949	93	4½ ⁷ / ₁₆	1 Jan.—1 July.
NOVA SCOTIA.					
3½% Stock	650,000	1954	81	4½	1 Jan.—1 July.
ONTARIO					
3½% Regd. Stock . .	1,200,000	1946	86	4½	1 Jan.—1 July.
QUEBEC.					
3% Inscribed . . .	1,897,820	1937	78	4½ ⁹ / ₁₆	1 Apr.—1 Oct.
SASKATCHEWAN.					
4% Regd. Stock . .	1,082,192	1951	91z	4½	1 Jan.—1 July.
MUNICIPAL.					
Calgary 4½% Debs. .	1,920,900	1930-42*	92	5½	1 Jan.—1 July.
Edmonton 4½% Debs.	641,400	1918-51*	92	5½ ¹ / ₁₆	1 Jan.—1 July.
Hamilton (City of) 4%	482,800	1934	88	4½ ⁵ / ₁₆	1 Apr.—1 Oct.
Montreal 4%	2,400,000	1948-50	93	4½	1 May—1 Nov.
Quebec 4% Debs. . .	385,000	1923	96	4½ ¹ / ₁₆	1 Jan.—1 July.
Regina 4½% Debs. .	382,500	1925-52*	91	5½	1 Jan.—1 July.
Toronto 4% Bonds .	300,910	1922-28*	94	4½ ¹ / ₁₆	1 Jan.—1 July.
Vancouver 4% Bonds	121,200	1931	89	5½ ¹ / ₁₆	1 Apr.—1 Oct.
Winnipeg 4% Regd. .	2,500,000	1940	92	4½	1 Apr.—1 Oct.

* Yield calculated on latest date.

(z) Ex dividend.

maturing, and reimbursing the Government in respect of the Grand Trunk Pacific Railway Guaranteed Bonds purchased by it earlier in the year, and for general purposes under the Appropriation Act.

Two further Canadian municipal loans have been placed during the past month. Close on the heels of Montreal came the city of Toronto with an issue of £1,200,000 in 4½ per cent. Debentures at 97½, the proceeds being required to meet outstanding Treasury Notes and general expenditure for public works and improvements in connection with the development of the city. A fortnight later

CANADIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up per Share.	Price.	Yield.
RAILWAYS.					
Canadian Pacific Shares . . .	2,000,000	10%	\$100	227	4 $\frac{3}{8}$
Do. 4% Preference . . .	£15,173,563	4	Stock	93 $\frac{1}{2}$	4 $\frac{1}{2}$
Do. 4% Cons. Deb. Stock . . .	£32,725,383	4	"	95 $\frac{3}{4}$ x	4 $\frac{3}{8}$
Grand Trunk Ordinary . . .	£22,475,993	nil.	"	22 $\frac{1}{2}$	nil.
Do. 5% 1st Preference . . .	£3,420,000	5	"	104	4 $\frac{3}{4}$
Do. 5% 2nd " . . .	£2,530,000	5	"	95	5 $\frac{1}{2}$
Do. 4% 3rd " . . .	£7,168,055	2 $\frac{1}{2}$	"	51 $\frac{1}{2}$	4 $\frac{3}{8}$
Do. 4% Guaranteed . . .	£12,215,555	4	"	84 $\frac{1}{2}$	4 $\frac{1}{2}$
Do. 5% Perp. Deb. Stock . . .	£4,270,375	5	"	115	4 $\frac{3}{8}$
Do. 4% Cons. Deb. Stock . . .	£22,222,442	4	"	92	4 $\frac{5}{8}$
BANKS AND COMPANIES.					
Bank of Montreal	160,000	12	\$100	236	5 $\frac{1}{8}$
Bank of British North America	20,000	8	50	74	5 $\frac{3}{8}$
Canadian Bank of Commerce .	200,000	12	\$50	£20 $\frac{1}{2}$	6 $\frac{1}{8}$
Canada Company	8,319	50s. per sh.	1	22 $\frac{1}{2}$	11 $\frac{1}{8}$
Hudson's Bay	1,000,000	50	1	10 $\frac{1}{2}$ x	4 $\frac{1}{8}$
Trust and Loan of Canada . .	100,000	8	5	6	6 $\frac{3}{8}$
Do. new	25,000	8	3	3 $\frac{1}{2}$	7 $\frac{3}{8}$
British Columbia Elec-Def.	£1,200,000	8	Stock	113	7
tric Railway . . . } Prefd.	£1,200,000	6	Stock	103 $\frac{1}{2}$	5 $\frac{3}{4}$

(x) Ex dividend.

NEWFOUNDLAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
3 $\frac{1}{2}$ % Sterling Bonds . .	2,178,800	1941-7-8*	83	4 $\frac{9}{8}$	} 1 Jan.—1 July.
8% Sterling " . . .	325,000	1947	74	4 $\frac{3}{8}$	
4% Inscribed Stock . . .	320,000	1913-38*	97	4 $\frac{1}{2}$	
4% " " . . .	427,881	1935	98x	4 $\frac{3}{8}$	
4% Cons. Ins. " . . .	200,000	1936	97x	4 $\frac{3}{8}$	
3 $\frac{1}{2}$ % Inscribed, 1910 . .	800,000	1950	88x	4 $\frac{1}{8}$	

* Yield calculated on latest date.

(x) Ex dividend.

5 per cent. Debentures of the City of Prince Albert, Saskatchewan, to the amount of £200,000 were offered for sale at 90. Both these issues were unfavourably received by the investing public and can now be obtained in the market substantially below the issue prices, the discount on the Prince Albert loan being as much as 3 per cent.

Much surprise was caused by the announcement of a Note issue by the Canadian Pacific Railway. At the meeting in October the president foreshadowed some scheme "for reconstructing the special income account and showing the company's extraneous assets in a more definite and tangible form," but nothing involv-

AUSTRALIAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
NEW SOUTH WALES.					
4% Inscribed Stock (t)	9,685,800	1933	98	4 $\frac{1}{4}$	1 Jan.—1 July.
3 $\frac{1}{2}$ % " " (t)	16,464,545	1924	94	4 $\frac{1}{2}$	} 1 Apr.—1 Oct.
3% " " (t)	12,475,800	1935	81	4 $\frac{3}{8}$	
VICTORIA.					
4% Inscribed, 1885 .	5,970,000	1920	99	4 $\frac{3}{8}$	} 1 Jan.—1 July.
3 $\frac{1}{2}$ % " 1889 (t)	4,987,250	1921-6†	92	4 $\frac{7}{16}$	
3% " (t) . .	5,211,331	1929-49†	76	4 $\frac{3}{8}$	
QUEENSLAND.					
4% Inscribed Stock (t)	7,939,000	1924	98	4 $\frac{3}{8}$	} 1 Jan.—1 July.
3 $\frac{1}{2}$ % " " (t)	4,834,334	1921-24†	92	4 $\frac{3}{8}$	
3% " " (t)	4,274,213	1922-47†	76	4 $\frac{7}{16}$	
SOUTH AUSTRALIA.					
4% Bonds	1,359,300	1916	99	4 $\frac{1}{2}$	} 1 Apr.—1 Oct.
4% Inscribed Stock .	6,281,500	1916-7-36†	98	4 $\frac{1}{8}$	
3 $\frac{1}{2}$ % " " (t)	2,517,800	1939	88x	4 $\frac{5}{16}$	} 1 Jan.—1 July.
3% " " (t)	839,500	1916-26†	87x	4 $\frac{5}{16}$	
3% " " (t)	2,760,100	1916 † or after.	73x	4 $\frac{1}{16}$	
WESTERN AUSTRALIA.					
3 $\frac{1}{2}$ % Inscribed (t) . .	3,780,000	1920-35†	89	4 $\frac{1}{2}$	} 1 May—1 Nov.
3% " (t) . .	3,750,000	1915-35†	79	4 $\frac{1}{8}$	
3% " (t) . .	2,500,000	1927†	87	4 $\frac{5}{16}$	15 Jan.—15 July.
TASMANIA.					
3 $\frac{1}{2}$ % Inscbd. Stock (t)	4,156,500	1920-40†	87	4 $\frac{7}{16}$	} 1 Jan.—1 July.
4% " " " (t)	1,000,000	1920-40*	97	4 $\frac{3}{8}$	
3% (t)	450,000	1920-40†	80	4 $\frac{5}{16}$	

* Yield calculated on earlier date of redemption.

† Yield calculated on latest date of redemption.

‡ No allowance for redemption. (t) Eligible for Trustee Investment.

(x) Ex dividend.

ing an issue of new securities for cash had been anticipated. The directors' scheme is to form a "Special Investment Fund," made up of deferred payments on land sales and securities in which the cash proceeds of land sales are invested, to the aggregate of £11,000,000. In connection with this fund 6 per cent. Note Certificates to the amount of £10,500,000 will be offered to the Ordinary stockholders at 80 per cent. All the Note Certificates will be redeemed at par on or before March 2, 1924, but they may be redeemed in part by drawings at any time when the trustee has funds in hand for the purpose.

In explaining this scheme Sir Thomas Shaughnessy, the president, has stated that the Note Certificates will make no demand whatever on the income from the company's traffic. They constitute a debt that will obliterate itself in the course of a few years. Unsold lands and other extraneous assets will remain

AUSTRALIAN MUNICIPAL AND OTHER BONDS.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Melbourne & Met. Bd. of Works 4% Debs. }	1,000,000	1921	97	4 $\frac{1}{2}$	1 Apl.—1 Oct.
Do. City 4% Deb. .	850,000	1915-22*	97	6 $\frac{7}{18}$	
Melbourne Trams Trust 4 $\frac{1}{2}$ % Debs. }	1,650,000	1914-16*	101	5	1 Jan.—1 July.
S. Melbourne 4 $\frac{1}{2}$ % Debs. }	128,700	1919	101	4 $\frac{11}{16}$	
Sydney 4% Debs. .	300,000	1919	99	4 $\frac{7}{8}$	1 Jan.—1 July.

* Yield calculated on earlier date of redemption.

AUSTRALIAN RAILWAYS, BANKS AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Emu Bay and Mount Bischoff . . .	12,000	% 5	5	5 $\frac{1}{2}$	4 $\frac{1}{2}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock . . .	£130,900	4 $\frac{1}{2}$	100	94	4 $\frac{1}{2}$
BANKS AND COMPANIES.					
Bank of Australasia	50,000	17	40	117	5 $\frac{1}{2}$
Bank of New South Wales	125,000	10	20	39 $\frac{1}{2}$	5 $\frac{1}{8}$
Union Bank of Australia £75 . . .	60,000	14	25	56 $\frac{1}{2}$	6 $\frac{3}{8}$
Do. 4% Inscribed Stock Deposits . .	£600,000	4	100	98	4 $\frac{1}{8}$
Australian Merc. Land & Finance £25	80,000	12 $\frac{1}{2}$	5	6 $\frac{3}{4}$	9 $\frac{1}{2}$
Do. 4% Perp. Deb. Stock	£1,900,000	4	100	88 $\frac{1}{2}$	4 $\frac{1}{2}$
Dalgety & Co. £20	154,000	8	5	6	6 $\frac{3}{8}$
Do. 4 $\frac{1}{2}$ % Irred. Deb. Stock	£511,037	4 $\frac{1}{2}$	100	100	4 $\frac{1}{2}$
Goldsbrough Mort & Co. 4% A Deb. }	£998,530	4	100	84 $\frac{1}{2}$	4 $\frac{11}{16}$
Stock Reduced					
Do. B Income Reduced	£669,543	5	100	94 $\frac{1}{2}$	5 $\frac{1}{2}$
South Australian Company £15 . . .	14,200	£4	£4	64 $\frac{1}{2}$	6 $\frac{3}{8}$
Trust & Agency of Australasia . . .	54,979	12 $\frac{1}{2}$	1	11 $\frac{1}{8}$	11 $\frac{1}{8}$
Do. 5% Cum. Pref. Stock	1,000,000	5	100	99 $\frac{1}{2}$	5

undisturbed for the future benefit of the shareholders, and it is evident, the president states, that income from them will be sufficient for the purposes to which it has for some years been largely devoted. The company is not short of funds by any means, but its policy has for many years been to keep its cash resources strong.

For its latest issue the Grand Trunk Pacific Railway has adopted the form of seven-year 5 per cent. Secured Notes offered at 97. Carrying the guarantee, as to both principal and interest, of the parent Grand Trunk Railway Company, the Notes are, of course, amply secured, and they afford the very satisfactory yield of over 5 $\frac{1}{2}$ per cent. to the subscriber.

Further increase in profit is shown in the report and accounts of the Bank of Montreal for the year ended October 31. The net

NEW ZEALAND GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
5% Bonds	266,300	1914	102	5	15 Jan.—15 July.
4% Inscribed Stock (t)	29,495,302	1929	98	4 $\frac{3}{8}$	1 May—1 Nov.
3 $\frac{1}{2}$ % Stock (t)	17,543,932	1940	88	4 $\frac{1}{8}$	1 Jan.—1 July.
3% Inscribed Stock (t)	9,659,980	1945	78	4 $\frac{1}{8}$	1 Apr.—1 Oct.

(t) Eligible for Trustee investments.

(s) Ex dividend.

NEW ZEALAND MUNICIPAL AND OTHER SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Auckland 5% Deb. . . .	200,000	1934-8*	106	4 $\frac{1}{8}$	1 Jan.—1 July.
Do. Hbr. Bd. 5% Debs.	150,000	1917	102	4 $\frac{3}{8}$	10 April—10 Oct.
Bank of N. Z. shares†	150,000	div. 15%	11 $\frac{3}{4}$	4 $\frac{1}{2}$	—
Do. 4% Gua. Stock‡	£1,000,000	1914	98	5 $\frac{1}{8}$	April—Oct.
Christchurch 6% Drainage Loan. . . .	200,000	1926	111 $\frac{1}{2}$	5	30 June—31 Dec.
Lyttleton Hbr. Bd. 6%	200,000	1929	109 $\frac{1}{2}$	5 $\frac{1}{8}$	} 1 Jan.—1 July.
Napier Hbr. Bd. 5% Debs.	300,000	1920	102	5	
Do. 5% Debs.	200,000	1928	102	5	
National Bank of N.Z. £7 $\frac{1}{2}$ Shares £2 $\frac{1}{2}$ paid)	278,926	div. 13%	5	6 $\frac{1}{2}$	Jan.—July.
Oamaru 5% Bds. . . .	173,800	1920	100	5 $\frac{1}{8}$	1 Jan.—1 July.
Otago Hbr. Cons. Bds. 5%	443,100	1934	103	4 $\frac{7}{8}$	1 Jan.—1 July.
Wellington 6% Impts. Loan	100,000	1914-29	103 $\frac{1}{2}$	—	1 Mar.—1 Sept.
Do. 6% Waterworks . .	130,000	1929	113 $\frac{1}{2}$	4 $\frac{7}{8}$	1 Mar.—1 Sept.
Do. 4 $\frac{1}{2}$ % Debs. . . .	165,000	1933	99	4 $\frac{9}{16}$	1 May—1 Nov.
Westport Hbr. 4% Debs.	150,000	1925	97	4 $\frac{7}{8}$	1 Mar.—1 Sept.

* Yield calculated on earlier date of redemption.

† £6 13s. 4d. Shares with £3 6s. 8d. paid up.

‡ Guaranteed by New Zealand Government.

profit for the year amounted to \$2,648,403 against \$2,518,400 for the preceding year. The dividends and bonus, again amounting to 12 per cent. for the year, absorb \$1,920,000 against \$1,894,100, the increase being due to the larger amount of capital ranking for dividend. After providing \$485,000 out of profits for bank premises there is a balance of \$1,046,218 to be carried forward, an increase of \$243,400 on the amount brought in.

While maintaining its dividend at the rate of 10 per cent. per annum for the half year ended September 30, the Bank of New South Wales carries £100,000 to the reserve fund against £65,000 a year ago and still has £68,658 to carry forward. In future it is intended to declare an interim dividend quarterly.

There was a heavy decrease in the output of gold from the Transvaal during November, the month's total amounting to

£2,860,788 against £3,216,965 for the corresponding month of the preceding year, and it is evident that the aggregate production for the full year will be more than a million sterling short of that for 1912. In the following statement the output is given month by month for several years past :

Month.	1913.	1912.	1911.	1910.	1909.	1908.
	£	£	£	£	£	£
January . .	3,353,116	3,130,830	2,765,386	2,554,451	2,612,836	2,380,124
February . .	3,118,352	2,989,832	2,594,634	2,445,088	2,400,892	2,301,971
March . . .	3,358,050	3,528,688	2,871,740	2,578,877	2,580,498	2,442,022
April . . .	3,334,358	3,133,383	2,836,267	2,629,535	2,578,804	2,403,500
May . . .	3,373,998	3,311,794	2,913,734	2,693,785	2,652,699	2,472,143
June . . .	3,173,382	3,202,517	2,907,854	2,655,602	2,621,818	2,442,329
July . . .	2,783,917	3,255,198	3,012,738	2,713,083	2,636,965	2,482,608
August . . .	3,092,754	3,248,395	3,030,360	2,757,919	2,597,646	2,496,869
September .	2,999,686	3,176,846	2,976,065	2,747,853	2,575,760	2,496,112
October . .	3,051,701	3,265,150	3,010,130	2,774,390	2,558,902	2,624,012
November .	2,860,788	3,216,965	3,057,213	2,729,554	2,539,146	2,609,685
December .	—	3,297,962	3,015,499	2,722,775	2,569,822	2,806,235
Total * .	34,500,102	38,757,560	34,991,620	32,002,912	30,925,788	29,957,610

* Including undeclared amounts omitted from the monthly returns.

SOUTH AFRICAN GOVERNMENT SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
CAPE COLONY.					
4½% Bonds	£ 261,400	dwgs.	101	4-7 ₈	15 Apr.—15 Oct.
4% 1883 Inscribed .	3,670,995	1923	99	4½	1 June—1 Dec.
4% 1886 " . . .	9,860,466	1916-36*	99	4½	15 Apr.—15 Oct.
3½% 1886 " (t). .	14,891,244	1929-49†	87	4½	1 Jan.—1 July.
3% 1886 " (t). .	7,483,240	1933-43†	79	4-1 ₈	1 Feb.—1 Aug.
NATAL.					
4½% Bonds, 1876 . .	758,700	1919	101	4½	15 Mar.—15 Sep.
4% Inscribed (t) . .	3,026,444	1937	100	4	Apr.—Oct.
3½% " (t) . . .	3,714,917	1914-39†	83	4½	1 June—1 Dec.
3% " (t) . . .	6,000,000	1929-49†	76	4½	1 Jan.—1 July.
TRANSSVAAL.					
3% Guartd. Stock (t) .	35,000,000	1923-53†	88½	3½	1 May—1 Nov.

* Yield calculated on earlier date of redemption.

† Yield calculated on later date of redemption.

(t) Eligible for Trustee Investments.

Although there was a slackening during November in the rate of diminution in the native labour supply for the gold mines of the Rand, the return compares very unfavourably with that for November of the preceding year, during which there was a net increase of nearly five thousand hands. The following statement shows the course of the native labour supply during the past two years :

Month.	Net Gain on Month.	Natives Employed end of Month.	Month.	Net Gain on Month.	Natives Employed end of Month.
January 1912 .	5,764	184,046	January 1913 .	8,774	200,090
February „ .	6,274	190,320	February „ .	7,572	207,662
March „ .	6,428	196,748	March „ .	71	207,733
April „ .	1,189	197,937	April „ .	2,309*	205,424
May „ .	4,108*	193,829	May „ .	7,780*	197,644
June „ .	5,335*	188,494	June „ .	8,550*	188,094
July „ .	5,569*	182,925	July „ .	17,852*	170,242
August „ .	3,814*	179,111	August „ .	12,019*	158,223
September „ .	1,628	180,739	September „ .	5,586*	152,637
October „ .	1,819	182,058	October „ .	3,755*	148,882
November „ .	4,823	186,881	November „ .	1,313*	147,569
December „ .	4,435	191,316		—	—

* Net loss.

SOUTH AFRICAN MUNICIPAL SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
	£				
Bloemfontein 4% . .	763,000	1954	91	4 $\frac{9}{16}$	1 Jan.—1 July.
Cape Town 4% . .	1,851,850	1953	94	4 $\frac{3}{8}$	1 Jan.—1 July.
Durban 4% . .	850,000	1951-3	92	4 $\frac{1}{2}$	30 June—31 Dec.
Johannesburg 4% . .	5,500,000	1933-4	92	4 $\frac{5}{8}$	1 April—1 Oct.
Krugersdorp 4% . .	100,000	1930	91	4 $\frac{3}{4}$	1 June—1 Dec.
Pietermaritzburg 4% . .	814,855	1949-53	90	4 $\frac{5}{8}$	30 June—31 Dec
Port Elizabeth 4% . .	369,468	1964	91	4 $\frac{1}{2}$	30 June—31 Dec
Pretoria 4% . .	1,250,000	1939	91	4 $\frac{1}{2}$	1 Jan.—1 July.
Rand Water Board 4% . .	3,400,000	1935	90	4 $\frac{5}{8}$	1 Jan.—1 July.

SOUTH AFRICAN RAILWAYS, BANKS, AND COMPANIES.

Title.	Number of Shares or Amount.	Dividend for last Year.	Paid up.	Price.	Yield.
RAILWAYS.					
Mashonaland 5% Debs.	£2,500,000	5	100	92	5 $\frac{3}{8}$
Rhodesia Rlys. 5% 1st Mort. Debs. } guar. by B.S.A. Co. till 1915. . . }	£1,931,800	5	100	98 $\frac{1}{2}$	5 $\frac{1}{8}$
Trans-African 5% Debs. Red. . . .	£1,845,300	5	100	80 $\frac{1}{2}$	6 $\frac{3}{8}$
BANKS AND COMPANIES.					
African Banking Corporation £10 shares	80,000	7	5	6	5 $\frac{1}{8}$
Natal Bank £10	148,232	8	2 $\frac{1}{2}$	2 $\frac{3}{4}$	7 $\frac{1}{2}$
National Bank of S. Africa £10 . .	131,690	6	10	11	5 $\frac{7}{8}$
Standard Bank of S. Africa £20 . .	309,705	14	5	11 $\frac{1}{2}$	6 $\frac{1}{8}$
Ohlsson's Cape Breweries	60,000	8	5	5 $\frac{1}{2}$	7 $\frac{3}{8}$
South African Breweries	965,279	17 $\frac{1}{2}$	1	11 $\frac{1}{2}$ x	9
British South Africa (Chartered) . .	8,937,559	nil	1	3 $\frac{3}{8}$	nil
Do. 5% Debs. Red.	£1,250,000	5	100	102	4 $\frac{3}{8}$
Natal Land and Colonization	68,066	6 $\frac{1}{2}$	5	3 $\frac{7}{8}$	8 $\frac{3}{8}$
Cape Town & District Gas Light & Coke	10,000	nil	10	2 $\frac{1}{2}$	—
Kimberley Waterworks £10	45,000	5 $\frac{1}{2}$	7	6	6 $\frac{1}{8}$

(x) Ex dividend.

There was another sharp setback in the gold production from Rhodesia during November, but if December's total is normal the output for the whole year will exceed that for 1912 by about £150,000. The following table gives the monthly returns for several years past :

Month.	1913.	1912.	1911.	1910.	1909.	1908.
	£	£	£	£	£	£
January . .	220,776	214,918	207,903	227,511	204,666	199,380
February . .	208,744	209,744	203,055	203,888	192,497	191,635
March . . .	257,797	215,102	231,947	228,385	202,157	200,615
April . . .	241,098	221,476	221,296	228,213	222,700	212,935
May . . .	242,452	234,407	211,413	224,888	225,032	223,867
June . . .	241,303	226,867	215,347	214,709	217,600	224,920
July . . .	249,387	240,514	237,517	195,233	225,234	228,151
August . . .	250,576	239,077	243,712	191,423	228,296	220,792
September .	250,430	230,573	225,777	179,950	213,249	204,262
October . .	247,068	230,072	218,862	234,928	222,653	205,466
November .	239,036	225,957	214,040	240,573	236,307	196,668
December . .	—	218,661	217,026	199,500	233,397	217,316
Total .	2,648,667	2,707,368	2,647,895	2,569,201	2,623,788	2,526,007

There has been an addition during the month to the volume of Crown Colony securities in the form of £1,000,000 of Sierra Leone 4 per cent. Inscribed Stock redeemable 1938-63, offered at 97 by the Crown Agents for the Colonies. Holders of the Sierra Leone 4 per cent, Ten-year Convertible Bonds maturing June 1, 1914, were given the option of exchanging their bonds, with the coupon due June 1, 1914, attached, for an equivalent nominal amount of the stock and a cash payment of £3 12s. 7d. per cent. to place them on an equality with cash applicants.

CROWN COLONY SECURITIES.

Title.	Present Amount.	When Redeemable.	Price.	Yield.	Interest Payable.
Barbadoes 3½% ins. (t)	375,000	1925-42†	90	4½	1 Mar.—1 Sep.
Brit. Guiana 3% ins. (t)	250,000	1923-45†	80	4½ ³ / ₁₆	1 Feb.—1 Aug.
Ceylon 4% ins. (t) . .	1,076,100	1934	100	4½ ³ / ₁₆	15 Feb.—15 Aug.
Do. 3% ins. (t) . . .	2,850,000	1940	80	4½	1 May—1 Nov.
Hong-Kong 3½% ins. (t)	1,485,733	1918-43†	88	4½ ³ / ₁₆	15 Apr.—15 Oct.
Jamaica 4% ins. (t) .	1,099,048	1934	100	4½ ³ / ₁₆	15 Feb.—15 Aug.
Do. 3½% ins. (t) . .	1,493,600	1919-49†	89	4½	24 Jan.—24 July.
Mauritius 3% guar. }	600,000	1940	87	3½ ¹ / ₁₆	1 Jan.—1 July.
Great Britain (t) . }					
Do. 4% ins. (t) . . .	482,390	1937	100	4½	1 Feb.—1 Aug.
Sierra Leone 3½% ins. (t)	729,848	1929-54†	89	4½ ³ / ₁₆	1 June—1 Dec.
Trinidad 4% ins. . .	422,593	1917-42*	100	4½	15 Mar.—15 Sep.
Do. 3% ins. (t) . . .	600,000	1922-44†	80	4½	15 Jan.—15 July.
Hong-Kong & Shang-hai Bank Shares . }	120,000	Div. £4½	£79½	5½	Feb.—Aug.

* Yield calculated on shorter period.

† Yield calculated on longer period.

(t) Eligible for Trustee investments.

EGYPTIAN SECURITIES.

Title.	Amount or Number of Shares.	Dividend for last Year.	Paid up.	Price.	Yield.
Egyptian Govt. Guaranteed Loan (i) .	£7,102,800	3	99	90	3½
" Unified Debt	£55,971,960	4	100	97½	4½
National Bank of Egypt	300,000	8	10	15¾	5¼
Agricultural Bank of Egypt, Ordinary	496,000	5½	5	47	5½
" " " Preferred	125,000	4	10	7¾	5½
" " " Bonds .	£2,350,000	3½	100	79	4½

(i) Eligible for Trustee Investments.

TRUSTEE.

December 22, 1913.

PATRIOTIC NEW ZEALAND

The report of H.M. Trade Commissioner for New Zealand shows that preference for British goods is demonstrated by the Government in the purchases of State departments and by municipal bodies and Harbour Boards—some of whom will not buy elsewhere than in the United Kingdom. And not only that but several agency firms will not, if they can possibly help it, take agencies for other than British manufacturers. Retail as well as wholesale firms may be found who will only handle British goods, while among the purchasing public many persons will put themselves to considerable trouble in order to procure what they require of British make. In the case of textiles and wearing apparel no less than 85·4 per cent. of the imports in 1912 were proved to be of British manufacture.

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